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H.R. 2486—VETERANS READJUSTMENT APPOINTMENT PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

JUNE 21, 1989

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H.R. 2486—VETERANS READJUSTMENT APPOINTMENT PROGRAM

Wednesday, June 21, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m., in room 334, Cannon House Office Building, Hon. Timothy J. Penny, (chairman of the subcommittee) presiding.

Present: Representatives Penny, Patterson, Evans, Smith of New Jersey, and Ridge.

OPENING STATEMENT OF HON. TIMOTHY J. PENNY

Mr. PENNY. The meeting will come to order. The Subcommittee on Education, Training and Employment is meeting this morning to review H.R. 2486, a bill which would extend and improve the Veterans Readjustment Appointment Authority, generally known as the VRA.

[The bill, H.R. 2486, appears at p. 25.]

Mr. PENNY. The concept of VRA was first instituted by Executive Order 11397, issued by President Lyndon Johnson on February 7, 1968. It was further developed when President Nixon issued Executive Order 11521 in 1970 and was enacted into law in 1974.

[See pp. 28 and 29.]

Mr. PENNY. The VRA is a noncompetitive appointment for Vietnam-era veterans which leads to competitive status upon satisfactory completion of service and education or training.

According to a recent Office of Personnel Management report, over 279,000 veterans readjustment appointments have been made since 1970 and over 80 percent of these veterans continued in career jobs. We, on the House Veterans Affairs Committee, consider VRA to be one of the most successful veterans employment programs.

The objective of VRA when it was instituted was clear, to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era. At that time, hundreds of thousands of young men and women, many of whom were educationally disadvantaged, were being discharged from the armed services every year.

It was indisputable that the same Federal Government that had asked its citizens to serve their country during the Vietnam era had a responsibility to assist those veterans in their efforts to find meaningful employment and to pursue a career.

Since the initiation of VRA, however, characteristics of the veteran population have changed. The average age of Vietnam-era veterans is now 42 years old and most of these veterans have used their GI Bill and furthered their education. Additionally, a large new group of veterans who went into the Armed Forces following the Vietnam era are now entering the civilian workforce. These are bright, well-educated young people with excellent skills who are taking advantage of the educational assistance programs, including the Montgomery GI Bill, which Congress has provided for them.

As a result, we want to re-evaluate the purpose and structure of the VRA program. It seems to me this hiring authority can and should serve two purposes. First, veterans are among the best workers available to any employer and the Federal Government should have the opportunity to hire these superior employees quickly and easily. The VRA noncompetitive appointment is the best possible mechanism, but changes in existing law are necessary to provide Federal agencies this opportunity. Additionally, the Federal Government continues to have a responsibility to provide employment opportunities for those who have served in defense of our Nation. The VRA authority, with the necessary amendments, can accomplish both these purposes.

We see H.R. 2486 as a starting point, a talking paper, if you will, and we look forward to hearing any recommendations for amendments that our witnesses might make this morning.

Since our ranking member, Mr. Smith, is not here as yet, we will hold off until later his opening remarks and we will begin testimony this morning with Mr. Curtis J. Smith, the Associate Director for Career Entry and Employment Development Group from the Office of Personnel Management.

Mr. Smith, if you would come forward.

We are hoping you can keep your testimony, your oral testimony, to 5 minutes or less and your written remarks will be included in the record.

I also want to announce that because of a Democratic caucus, which is starting shortly, we may have to recess briefly to go over and record our presence. There may be one or two other interruptions for votes as the hearing proceeds. In any event, we would like to keep the hearing within a 2-hour time frame

Mr. Smith.

STATEMENT OF CURTIS J. SMITH, ASSOCIATE DIRECTOR FOR CAREER ENTRY AND EMPLOYMENT DEVELOPMENT, OFFICE OF PERSONNEL MANAGEMENT, ON BEHALF OF HON. CONSTANCE BERRY NEWMAN, DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT

Mr. CURTIS J. SMITH. Certainly. Thank you very much for asking me to be here this morning.

I am glad to be here to talk about the VRA program. I think we all agree that it has been very successful.

Let me say at the start that we have a new Director at the Office of Personnel Management, Constance Newman, and it is her intention to appear before the Congress herself whenever we are asked to testify. When she told me that on her first day, I informed her that we had four hearings this week. She winced and allowed as to how she was going to have to start that later. So I am here representing her this morning.

I would like to submit her statement for the record and summarize very briefly OPM's position on the extension of the VRA.

As you said in your opening statement, this program started in 1968 for a very specific reason, to help soldiers returning from Vietnam readjust to civilian life and get started in the workplace. I think the authority has been necessary and good. As you have also said, almost 300,000 people have been hired and most of them have continued to work for the Federal Government.

The authority expires in December and it is time, as we are doing today, to talk about what we should do next. OPM recommends that we make that decision in the context of the original purpose of the authority, by looking at what remains to be accomplished by way of helping Vietnam-era veterans adjust to society again.

We think that these veterans generally have successfully readjusted, but there are clearly some pockets where the adjustment is not complete and where help is still needed, primarily the disabled and those who served in Vietnam itself.

OPM recommends that the VRA be extended for another 2 years to finish what was started in 1970. We also think that it should be focused more narrowly to benefit the categories of veterans still having problems.

I will close my summary by emphasizing that we are, in fact, enthusiastic about the program and think that it has worked very well. We support its purpose and, as we discuss what to do with the program next, we would like to stay with that purpose and concentrate our focus on those Vietnam veterans who continue to have higher rates of unemployment.

Thank you, and I will be happy to answer questions.

[The prepared statement of Hon. Constance Berry Newman appears at p. 32.]

Mr. PENNY. The purpose of the bill is to expand beyond those limited areas that your agency finds value in including under the VRA. As we look back over the history of the program, as instituted by President Johnson and subsequently agreed to and extended by President Nixon, at least one of the cited benefits of this program was to provide a pool of capable workers for Government employment, on the assumption that veterans are really a good bargain in terms of their work performance and their dedication to duty.

Do you find an administrative objection to going beyond the limited areas? On what basis do you come to the conclusion that the program ought to be more directly focused?

Mr. CURTIS J. SMITH. Let me say, first of all, that I have no administrative objections. VRA has worked well because it has given

Federal managers an easy way to hire from a good group of people. I am not arguing that there is some administratively reason we ought not to do that.

Instead, we have focused on the more narrow concern for a particular group of veterans who have been thought for a long time to merit and to need particular help. I suppose the simple way for me to express our view is that the more people who are special, the less the special treatment means. The program works because it is an attractive way to hire people for Federal managers. The smaller the focus, the more it will help those people on which it focuses. It is that kind of a policy distinction we are trying to make, rather than an administrative argument.

Mr. PENNY. You didn't make any reference to the cost of administering the program in your remarks. What, on an annual basis, have the costs been in recent years?

Mr. CURTIS J. SMITH. I don't have that data. I don't see any reason why there is any cost to the program. It is a very simple and direct method of hiring people. It takes place in the context of all of our other staffing efforts. We don't have any specific data, but my instinct is strongly that it is cost-neutral.

Mr. PENNY. On page 4 of your testimony, you state that "We think the concepts presented in this bill are interesting." I am intrigued by your use of that phrase. You didn't really say what you meant by that. Do you want to elaborate a little bit?

Mr. CURTIS J. SMITH. The specific occasion for our discussion today is that the Vietnam Veterans Readjustment Authority is expiring, but the bill that you and Mr. Smith have introduced really moves us into an entirely new arena, for an entirely new and large and continuing group of people. I don't think it is at all inappropriate to think about that group of people. I think, at least for us at OPM, we need to do that in the context of how our whole approach to Federal employment, the nature of the jobs in the Federal service, and the nature of the labor market in this country have shifted. We are concerned that our overall approach to Federal hiring make sense and we will be re-examining that in the near future.

I guess I would be more comfortable in figuring out how to make the best use of this new group of people leaving the military today if we did that in the larger context of our approach to Federal hiring.

Mr. PENNY. Also on page 4 of your statement, you mentioned that the 2-year training and work experience concept is inappropriate for positions as high as GS–11 and for college graduates.

Would you suggest, then, assuming we report a bill that raises or eliminates the rating cap, that we amend the legislation and delete a training requirement for GS–11 and above appointments or for positions filled by college graduates?

Mr. CURTIS J. SMITH. Yes, or at least, that it ought to permit people to make judgments case-by-case about what sort of training is appropriate so that we are not doing things that don't make sense in real cases.

On the education cap, it seems to me that if the program is expanded, as your bill proposes, the education cap is probably helpful in continuing to ensure that the people who need the advantage most get it. If it were to be narrower, along the lines that we are

suggesting, I am not sure the education cap would continue to serve any purpose because we would by other means be focusing on the group of people we were aiming at.

Mr. PENNY. Let me read a couple of statements to you.

The first one: "The 14-year education limit for nondisabled Vietnam-era veterans should be waived altogether. It is an artificial limit which discourages improving skills through education."

The second statement: "As for removing the 14-year education restriction, our position is that, in essence, the 14-year restriction punishes people who have actually worked longer and spent more time in school and tried harder. So it is a punishment to initiative and we believe we should be encouraging veterans to go out and, under their own initiative go to college and use their GI benefits."

These statements were first made by the Director of OPM before this subcommittee in 1983 and later strongly reaffirmed by the OPM witness before the subcommittee in 1985. In fact, it was the Office of Personnel Management that first proposed the elimination of the 14-year education limitation.

Why is OPM no longer supportive of this view?

Mr. CURTIS J. SMITH. Yes, you have me there with the inconsistency in our own agency's position. It seems to me that all of us have watched the VRA evolve since 1968 and there have been changes. We removed the educational cap for the disabled, for example, and expanded the length of time after service, so this program has adjusted over the years that it has been in place.

We have come to our current position on the educational cap because our primary concern has come to be identifying the people originally targeted by the Executive Order and the legislation who remain in need of help, who most ought to have our focus, and what sort of a program will best allow us to do that.

Mr. PENNY. I have one last question that I want to pursue and then I am going to ask Mr. Smith, our ranking member, to make any opening remarks he may want and to, in fact, chair the hearing. He may ask you some questions and bring forward our next panel while I go to the House floor to register my presence for the caucus and then I will return.

Two veterans organizations suggest in their testimony—we will hear from them shortly—that the original concept of 5- and 10-point veterans preference, as contained in the Veterans Preference Act of 1944, has very little application to the way Federal departments and agencies hire individuals today and is, in fact, now meaningless.

Would you describe for the subcommittee how veterans preference is implemented and enforced today.

Mr. CURTIS J. SMITH. Yes. That is a complicated environment, I think. First of all, I believe that the veterans organizations overstate the degree to which there are problems with veterans preference.

Veterans preference works in the classic Federal hiring model where people are rated and given numerical scores, points are added, and we hire off a list of people in score order. As the labor markets have gotten worse and worse, OPM has made more use of a longstanding policy that, where you are going to hire literally everyone who is qualified, you no longer go through the time-consum-

ing and discouraging process for the applicants of giving tests and having people wait several months and then doing the ranking.

The way that veterans preference works in any specific situation is going to vary, depending on how we are hiring people. In that direct-hire situation, which I described, we check after the fact to be sure that everyone has been treated the way they would have been treated under the normal system and take corrective action if it is necessary. The system does operate differently up front when we have labor-market problems.

As you probably know, that is more and more the case.

Mr. PENNY. I indicated I only had that last question, but I am curious to know how you reconcile the preferential hiring for former Peace Corps personnel with the policy toward veterans. Later today, the DAV is going to, in their testimony, make reference to the fact that Peace Corps volunteers may be appointed noncompetitively to Federal service within 1 year after completing a Peace Corps term.

My question, then, is do you think it is good national policy to provide Peace Corps volunteers, in spite of their very significant contributions, a benefit not provided veterans of the Armed Forces, especially in light of the fact that Peace Corps volunteers generally have more than 14 years of education?

Mr. CURTIS J. SMITH. I will maybe sidestep that just a little bit. I think it is important, as I said earlier, for us to think about the ways the Federal Government ought to make it possible to hire veterans, people who are coming out of the military service now, under conditions that we haven't seen before.

Veterans preference is founded on the notion of wartime service and that structure works there. The VRA is a very special response to a particular war. We have a different situation now. I think it is an excellent labor pool. I think we ought to have ways to get at it.

The provision for Peace Corps people may offer us a way to approach that, but again, I think that we would need to look at that and probably the Peace Corps, as well, in a larger re-examining of Federal hiring, given the difficulties our traditional systems are causing us in today's labor markets.

Mr. PENNY. You answered that artfully. You didn't exactly say that what we are doing for the Peace Corps is the model to follow. In fact, you sort of hinted that maybe that ought to be re-examined.

Is that what you meant to say?

Mr. CURTIS J. SMITH. I meant to say that I agree that we need to look at the current group of people leaving the military and that it presents a new problem for us that we would like to examine in the context of looking at the whole Federal hiring system.

The Peace Corps provision is certainly a likely sort of thing that we would want to do on the military side, but clearly, we would never express any lower estimation of our Nation's veterans than we would of people who had served in the Peace Corps.

Mr. PENNY. I thank you.

Again, I am going to turn the hearing over to the ranking minority member for a few minutes. If he can't stay until I get back, because apparently they have a caucus going on now, he will then recess the hearing until such time as I return. It shouldn't take me

very long, but I want to register my presence and then get back here so I can devote my attention to this hearing for the remainder of the morning.

Mr. SMITH OF NEW JERSEY (presiding). Certainly. Thank you, Mr. Chairman.

Mr. Smith, I would like to first put in my comments and, without objection, I will make them a part of the record.

[The prepared statement of Congressman Smith of New Jersey appears at p. 31.]

Mr. SMITH OF NEW JERSEY. Mr. Smith, I have a number of questions and I would like to ask you to respond to them.

During our subcommittee's April 27th hearing on a GAO report on the disabled veterans affirmative action program, several Federal agencies, including NASA and OMB, testified that the GS-9 grade level limit prevented their agencies from hiring disabled veterans. Apparently these agencies have a greater need for higher grade level employees, and considering this fact, do you believe that raising the grade level to GS-11 is appropriate?

Mr. CURTIS J. SMITH. First of all, for the disabled veterans, the educational limit does not apply. I think it is very important that our primary efforts and attention be devoted to the disabled veterans in this group of people that we are trying to help. The education limit does not apply there, so you would be able to hire the disabled with any amount of education and the VRA is one of the tools that an agency ought to be using to accomplish that. I think it will work for that purpose.

Mr. SMITH OF NEW JERSEY. The DAV will later testify that in order to ensure hiring preference for disabled veterans under the VRA program, H.R. 2486 should be amended to give disabled veterans the option of filing a complaint with OPM if they believe preference was not accorded.

OPM would be required to make a determination before the vacant position could be filled. What is your position on that proposal?

Mr. CURTIS J. SMITH. I would be opposed to that. I think we agree on the purpose that we are trying to achieve, but that sort of an arrangement threatens to further delay the Federal hiring process, which I think is one of our critical disadvantages in competing for employees in this job market.

The Government's need to be able to hire good people quickly is very important and I would prefer other ways to balance the equally important concerns for veterans employment.

Mr. SMITH OF NEW JERSEY. What if very strict time constraints were provided within which it had to be adjudicated?

Mr. CURTIS J. SMITH. I guess I would have to look at details about that to be able to answer specifically, but I am skeptical that we could, in fact, make it work without adding that serious disadvantage of delay.

Mr. SMITH OF NEW JERSEY. One final question. Several veterans organizations have suggested changing the name of the VRA program to the Veterans Recruiting Authority. Do you have any thoughts on that?

Mr. CURTIS J. SMITH. At this juncture, OPM is recommending that we stay with the Vietnam veterans concept in this program

and, consequently, that the new name would not be appropriate. If the program expands, as the bill would do, then I would have no objection to that.

Mr. SMITH OF NEW JERSEY. I thank you for your testimony, and since I, too, have to go to a caucus meeting—we do have some votes pending there—I will recess the meeting.

Mr. CURTIS J. SMITH. Thank you.

[Recess.]

Mr. PENNY. Thank you for your patience.

Next, we will hear from a panel of veterans organizations. I would like to welcome Mr. Frank DeGeorge, representing the Paralyzed Veterans of America; Mr. Ronald Drach, of the Disabled American Veterans; and Mr. Paul Egan, representing the Vietnam Veterans of America.

As always, we are happy to have you with us and look forward to your testimony. Your written remarks will be included in the record and we will begin with Mr. DeGeorge.

STATEMENTS OF FRANK DEGEORGE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS; AND PAUL S. EGAN, LEGISLATIVE DIRECTOR, VIETNAM VETERANS OF AMERICA, INC.

STATEMENT OF FRANK DEGEORGE

Mr. DEGEORGE. Thank you, Mr. Chairman.

On behalf of Paralyzed Veterans of America, it is both a privilege and a pleasure to appear here before you today to provide PVA's testimony relative to H.R. 2486, and at the same time, we want to provide special appreciations and thank yous for yours and Representative Chris Smith's introduction of H.R. 2486.

PVA supports several provisions of the bill to amend Title 38. We believe expanding the authority to extend program eligibility to other veterans, while maintaining VRA preference for service-disabled veterans and veterans of the Vietnam era is essential.

To elaborate, to ensure that there are no misconceptions, PVA believes that all service-disabled veterans, regardless of their period of service, should receive permanent and foremost preference in the VRA program and that veterans of the Vietnam era are entitled to a priority status that is also recognized to be higher than that for other veterans.

In addition, we must comment that it appears that this legislation and the current regulations may make a distinction between providing VRA program assistance to veterans who have served in peacetime or wartime periods of military service. Certainly those who have served during periods of hostility, as in Lebanon, Beirut, the Mediterranean, Grenada and other places should also be entitled to consideration for the VRA program.

We ask the subcommittee to review and assure the proper recognition of these veterans for inclusion in eligibility for the VRA program.

In our estimation, the overall success of the VRA program demonstrates and provides the rationale for the amendment to delineate the expiration date by making the established authority per-

manent for VRA program appointments and PVA supports this warranted amendment.

PVA further supports raising the VRA grade level limitation from GS–9 to GS–11. In fact, PVA would seek the agreement of others by recommending the further examination and consideration to remove the grade limitation entirely, but not without investigating what the impact it may have on the employment of veterans.

We reaffirm our belief that it is incumbent on the Federal Government to uphold the intent of Congress by promoting the maximum of employment and career opportunities within the Federal Government for veterans, as defined and redefined by these amendments to Section 2014, Title 38.

Mr. Chairman, according to a recent General Accounting Office report, the service-disabled veteran and veterans of the Vietnam era have high unemployment rates and are not adequately represented in the Federal Government workforce.

The Office of Personnel Management should certainly concentrate on its responsibility to improve the Government's hiring record of these deserving individuals. We believe the merits of the VRA program must be maintained. It is a viable employment tool for veterans and will enhance their consequential contribution to society as taxpayers.

The VRA program should continue to serve as many individuals as possible.

Mr. Chairman, members and staff of the subcommittee, again, we appreciate your continuing interest and support of the needs and programs for veterans. This concludes our statement at this time, and I will be happy to answer any questions that I can.

[The prepared statement of Mr. DeGeorge appears at p. 35.]

Mr. PENNY. Thank you, Frank.

Ron.

STATEMENT OF RONALD W. DRACH

Mr. DRACH. Thank you, Mr. Chairman.

On behalf of the Disabled American Veterans, I would like to echo some of the comments that Frank made, particularly to thank you and Mr. Smith for your co-sponsorship of H.R. 2486, which, as you stated in your opening statement, at least gives us a starting point to discuss these issues.

If you will look at the various proposals and discussions of the witnesses today, I think we are all pretty much in agreement on a lot of the issues dealing with VRA. I think what we need to do is work out some of the differences which are not major for the most part.

I think it has been totally agreed to that VRA has been a very highly successful program. We think it is probably the most successful employment program designed for Vietnam veterans since 1968.

We have drafted our own bill, which is attached to my prepared statement, and we do offer some additional changes. One is that we would suggest that we incorporate the Executive Order language into the statute to give the sense of purpose and history to the

VRA authority. We, like Frank and PVA, would expand it to all disabled veterans. We also suggest that we expand it to veterans who served in other armed conflicts, for which a campaign badge has been authorized and also open it up to recently separated.

Now, the recently separated—there are several discussions going on as to what the definition would be. Our bill suggests that—our draft bill suggests that recently separated would be up to 2 years following discharge. Your bill, I believe, has a 4 year. Either of ours, I think, fails to capture the Grenada, the Lebanon, Beirut veteran and perhaps even some of the Mediterranean veterans who would be out longer than 4 years.

So I think we need to take a hard look at that and perhaps extend it a little bit longer or include those individuals as a specific target population to be eligible.

We also want to change the name. We want to keep VRA, the acronym, because we think it carries a lot of good will with it. A lot of agencies are familiar with it, but we want to do away with readjustment and call it recruiting. We say that because to some degree, I think there is a negative connotation attached to readjustment, that it is intended to help people that are less fortunate than others and they need help and readjustment.

Recruiting, I think, will take away that stigma, but I would like, if I could, to quote from the Supreme Court decision in a major veterans' preference issue in the Commonwealth of Massachusetts vs. Feeney back in 1978. The Supreme Court stated that veterans' preference benefits "have traditionally been justified as a measure designed to reward veterans for the sacrifice of military service to ease the transition from military to civilian life, to encourage patriotic service and to attract loyal and well-disciplined people to civil service occupations."

I think that last phrase is perhaps the most appropriate as we discuss perhaps the change of mission in VRA.

We also, in our draft, suggest that the VRA be made permanent. We have suggested that for a number of years and continue to do that and we appreciate the fact that in your bill, there is no sunset provision and it would be made permanent.

There is some discussion on a GS-9 versus GS-11 issue. DAV would opt to stay with GS-9 cap if we continue to call it readjustment. If it is changed to recruitment, we would opt to raise it to 11 and maybe even consider taking the cap off altogether. But one thing concerns me about the grade level. Mr. Chairman. it is questionable, in spite of the testimony we have heard before from NASA and some other agencies, as to whether or not agencies will use it for higher grades. Currently, in fiscal year 1987, 77.5 percent of all VRA appointments were made at the GS or WG-6 level and below.

I think for the most part, agencies use us as an entry-level mechanism and if we are going to increase the grade level, I think we need to take a hard look at how the agencies use it.

Perhaps the most controversial position that the DAV has on this whole thing and one that apparently we may stand alone on, but it is probably the one that we feel strongest about, and that is the 14 years education. Let me preface our discussion with why we oppose it with thanks to you and Mr. Smith for putting a provision

in your bill that would provide preference for disabled veterans in the VRA process.

Our problem with that—we like the idea and the concept—the problem, however, is that it is virtually unenforceable. VRA is pretty much a one-on-one appointment. It is not a group of applicants applying for one particular job and it is difficult to rank them so-forth and what-not.

So in spite of comments that veterans preference is—we think veterans preference is virtually unenforceable and it would be very, very hard to enforce it in the VRA concept.

By contrast, the education restriction currently posed on nondisabled Vietnam veterans actually gives disabled Vietnam veterans an extra preference, if you will, a former preference in that they can graduate from college, they can graduate from the VA Voc-Rehab program and still be eligible for a VRA.

I think some statistics bear out that maybe that form of preference works, to a small degree. Approximately 6 percent of all veterans in the Federal labor force are disabled veterans, but approximately 10 percent of all VRA appointments go to disabled vets. So, in proportion to their incidence in the labor force, they get more VRA appointments and I think—I don't have anything to justify this, but I think that is, in part, attributable to the fact that they are not restricted with the 14 years of education.

With that, I will conclude and again thank you for your bill and I will be happy to answer any questions. I look forward to working with you to clarify all this.

[The prepared statement of Mr. Drach appears as p. 37.]

Mr. PENNY. Paul.

STATEMENT OF PAUL S. EGAN

Mr. EGAN. Thank you very much, Mr. Chairman.

From our perspective, the principal components of this legislation are really just about what the doctor ordered for this kind of program. In removing the educational limitation, it has to be seen as a way of answering what we have heard from witness after witness after witness in hearings on DVAAP and other programs where agencies aren't able to use programs like this because they say their employees are skewed in favor of more highly skilled and more technical kinds of people.

We know that the VA and DOD overwhelmingly use the VRA program, but why don't the other agencies use it? I think we can properly respond by saying, "Okay, we're going to let you noncompetitively place people with an excess of 14 years of education."

The elevation of the grade level within which someone could be placed under this bill is also very positive. We, in our statement, have said we have no objection to going to GS–11, but I would say here that we have no objection to removing it altogether.

I was kind of surprised to hear the exchange earlier on the noncompetitive placements for former Peace Corps people. In talking about this in the back of the room while you were away at the caucus, it seems that there is no GS limit there. Not only that, there is no requirement that there be a training period completed before someone is converted to career-permanent.

Importantly, this is not to say that there shouldn't be a continued training component to the VRA for veterans, but at least it shouldn't be an impediment to being converted to career-permanent.

How can a liberalization of this program be justified? A lot of that was discussed this morning. We believe very strongly, as do others, that veterans preference has become, in effect, a dead letter. In the classic employment scheme that was used perhaps in the 1940s, what we have today may have been appropriate, but it is obviously not appropriate today. As recently as 1980 or 1981, the professional and administrative career examination, a written examination to which you could discreetly add 5 or 10 veterans preference points, was eliminated. It may be that there is a mechanism today for objectively assessing points to one's qualifications in determining who is going to be employed under veterans preference, but we would argue that it is far more subjective than it was before.

That being so, I would be very interested to know, for example, what was the percentage of veterans preference hires subsequent to the removal of the PACE exam versus prior to the removal of PACE exam. I would guess that it is probably less.

There is an additional thing that is very encouraging about the direction that this bill goes, and that is that it addresses itself to removing the educational limitation, elevating the GS level, and as such making the VRA available to job-ready individuals and trainable individuals. In our view, that is a direction that more of our veterans employment and training programs should be headed.

We have spent an awful lot of time and an awful lot of energy and certainly the Congress has spent an awful lot of resources in directing our attention to the structurally unemployed individuals in this country, veterans included, and in many respects, that is how it should be. But if last year's action by the Congress in replacing Title III of the Job Training Partnership Act is any indication, what is needed now is some strategy to address the displaced worker.

This bill, in its own small way, I think, heads in that general direction.

As a working draft, we would have no problem with making this a recruitment program by title rather than readjustment. I know that Senator Alan Simpson is very fond oftentimes of asking the question not only of employment programs, but also in others, how did we get to the point where we think of veterans as disadvantaged? Well, at least in this particular area, I think it is appropriate to say that veterans can serve as a very important resource for our economy. We have veterans that gravitated to the heavy industrial and manufacturing sectors in this country, in spite of the fact that they made fairly liberal use of the GI Bill. They are better qualified than their similarly situated nonveteran peers, and if there is a population within displaced workers that is trainable, it is that population. Let's remember that they are disproportionately represented in that population. Only 13 percent of the general labor force are veterans yet 26 percent of the dislocated workers are veterans.

So the direction of this bill, in our judgment, is just the right direction and we encourage this committee to move forward with the fine-tuning of it and we further encourage this committee to persist with the Senate, which, at least at this point, does not seem willing to go as far as this legislation goes.

[The prepared statement of Mr. Egan appears at p. 45.]

Mr. PENNY. Thank you, Paul.

Frank, in your testimony, you suggest lifetime eligibility for disabled veterans and I want to concur in that suggestion. That is one amendment to the bill that I think ought to be included.

I also was interested in the statistics that you cited about veterans unemployment levels. It seemed to contradict testimony that we heard from Mr. Smith of OPM just a few minutes earlier in which he indicated that the unemployment levels for veterans were not dramatically different than the unemployment levels generally.

I am trying to get those statistics reconciled. Is there some rational explanation for your view——

Mr. DEGEORGE. Yes, sir. I recognized the difference in the statements, also. I believe in the Senate version of looking at VRA, and also the GAO report, it was identified that service-disabled veterans and Vietnam era service-disabled veterans were not receiving the appropriate recognition for employment, or at least they are getting the recognition, but the statistics show a lower level of employment from the service-disabled from Vietnam.

Mr. PENNY. Service-disabled were receiving——

Mr. DEGEORGE. As compared to other veterans receiving employment in the Federal sector.

Mr. PENNY. Through the VRA.

Mr. DEGEORGE. Yes, sir.

Mr. DRACH. Mr. Chairman, could I comment on that for a second?

Mr. PENNY. Yes, Ron.

Mr. DRACH. I just want to expand on that a little bit. Vietnam-era veterans' unemployment generally is relatively low today. It is around a little over 3 percent. Vietnam theater veterans' unemployment is around 6.9 percent. Service-connected Vietnam theater veterans is around 18 percent.

As Paul adequately pointed out, you have a new category of unemployed veterans, some of whom may not be counted, and that is the displaced worker veteran, which constitutes 26 percent of the displaced workers, depending on whose numbers you want to use.

Mr. PENNY. When you say 26 percent of the displaced workers, and those are veterans of all eras?

Mr. DRACH. That is correct, as best——

Mr. PENNY. And how does that compare with the general population statistics for veterans among the adult male population?

Mr. DRACH. The civilian male population constitutes—is made up of about 14 percent, 13, 14, 15 percent of all the civilian population are veterans.

Mr. PENNY. Okay, so——

Mr. DRACH. And 26 percent——

Mr. PENNY (continuing). It would be twice that number——

Mr. DRACH (continuing). Almost double their rate in the incidence in the labor force.

Mr. PENNY. That is because of the decline in certain types of industry, where——

Mr. DRACH. The Rust Belt——

Mr. PENNY (continuing). Veterans' employment is higher.

Paul, did you want to follow up on that?

Mr. EGAN. Just to see if I could explain that a little bit. At least as far Vietnam-era veterans are concerned, when they get out of the service, they had not only to compete with those individuals who got educated, but they were part of the baby boom generation. The competition for jobs was pretty steep. There was even something of a qualifications inflation, and so the GI Bill, being what it was, it wasn't particularly easy to get your education while working. At the same time during that period, people were getting married and having kids. It was easier for this group of veterans to gravitate to the then readily available moderate-income union wage-paying heavy industrial and manufacturing jobs. It was simple.

So I think that explains in large part why there is such a concentration of veterans in that population of now dislocated workers.

Mr. DEGEORGE. Mr. Chairman, if I could, once more. I would be willing to clarify my point by bringing back the source of my information on that point that I made in our testimony, but I would also point out that S. 13, in the Senate, does, relative to extending the VRA programs, it limits the program to combat theater Vietnam veterans, disabled or not disabled for the very point that they received lesser employment in the Federal sector.

I will come back with that information.

Mr. PENNY. Okay, I would appreciate that.

[The information appears at p. 62.]

Mr. PENNY. This does get to the larger issue of how the bill ought to be constructed. Clearly OPM wants us to narrow the focus of the bill. In your testimony today, Frank has talked about expanding the bill, in fact, to cover all disabled veterans of all conflicts. I think Ron mentioned that we might leave some of our veterans from Grenada, the Persian Gulf, Lebanon uncovered because of the 4-year limitation. Paul, I think your feeling is that the expansion that we have talked about in the legislation is appropriate.

Do any of you—I was thinking of asking this of Paul, but talk about the value of the recruitment authority to the general population and why you think it would be a mistake to follow OPM's suggestion and cover only the service-connected? Anybody can jump in on that.

Mr. EGAN. Why should we be limiting this to only service-connected? There is an unemployment problem. There is a serious problem out there. The Job Training Partnership Act is costing a lot of money. We need to be doing some things. Service-connected veterans are certainly an important population. They should have a preference under this program, but that is not enough of a reason to make—to exclude from eligibility those other individuals who could make use of it.

I am not sure if that gets at your——

Mr. PENNY. You made reference to the high unemployment rate in certain categories of veteran workers. Simply keeping this on the books or extending it in some way doesn't guarantee that that

problem is going to be totally eliminated. Is there any way that we can provide a different focus to the program to try and reach some of those dislocated veterans, and if so, how would we do that?

Mr. EGAN. Perhaps we could add a training component to it. Maybe find some mechanism where an agency might get some budgetary credit for using the program or for using the program to train somebody, something of that nature. That is just an off-the-top-of-my-head type of suggestion, but as long as it is a voluntary program, we are going to have to rely on agencies to use it and it is going to be a constant job exhorting the agencies to use it.

Mr. PENNY. In terms of making the agency more proactive, would you favor adding a component that we allow them to do a little promotion in those regions where we have a particular——

Mr. EGAN. Certainly, certainly.

Mr. PENNY (continuing). Particularly high unemployment rate among veterans?

Mr. EGAN. Certainly. Especially when—if there is an instance where the same region employs a lot of Federal workers.

Mr. PENNY. Ron, did you want to jump in on that?

Mr. DRACH. Yes, if I may, Mr. Chairman. I think a couple things need examined here or need discussed.

You talked about something and Paul mentioned something that triggered a thought. Several years ago, OPM requested from OMB an exemption from FTE ceilings under VRA. OMB turned them down, so, to the credit of OPM, they did attempt to do that, which would make it obviously more palatable to the agencies to use because they wouldn't be counted—VRA appointments would not be counted and maybe we could look at that as a possible—if not in the statute, maybe in some report language that it would be the sense of the Congress that——

Mr. PENNY. Could you follow up on that with staff after the hearing today and discuss that further?

Mr. DRACH. I sure will.

I think the other thing—two other things that could be done—one is we could ask OPM, and again, it doesn't necessarily have to be statutorily provided, but to try to set up an effective outreach program to try to reach out to these subpockets, the Vietnam theater, the displaced workers——

Mr. PENNY. That gets to the point that Paul and I——

Mr. DRACH. Right. But go one step beyond just an outreach program and encourage an applicant pool data base be established so the agencies would have a list, if you will, of VRA-eligible veterans that they could perhaps even exchange among agencies so that if an agency is willing to use it or desirous of using it, and they can't find somebody on their own, this applicant pool could be available and there is some precedence for that.

There is a program called CARS out in California and it is being used effectively in Alaska, the Centralized Applicant Referral System, which I think could be adapted for this particular purpose.

In going back to the first part of your question about why this should be expanded, as opposed to retracting it, and I refer back again to the Supreme Court language which, while dealing with the issue of veterans preference, was maybe 10 years before its time and to attract loyal and well-disciplined people to the civil

service occupations, Workforce 2000 has raised our consciousness about the problems in recruiting qualified workers.

I think that the military forces are turning out adequately trained and qualified people and I wish I had it, but there was an Op-Ed in the Washington Post a while back by David Spurlock, former Assistant Secretary of Defense for Manpower, who made some very adequate and defensible arguments as to why former military people coming out today are a very strong attribute for today's labor force.

Finally, my final argument on this is the Peace Corps. The Peace Corps—people who serve in the Peace Corps can be appointed noncompetitively and it is not restricted to those who served in the Peace Corps in Biafra, as opposed to Afghanistan. It is for all Peace Corps persons, so I think there is an adequate reason why, if we can give it to the Peace Corps, and you started to say in your opening statement, not to denigrate their service, but why not give it to the all-volunteer military also?

Mr. PENNY. Thank you. I appreciate your testimony.

Frank.

Mr. DEGEORGE. Mr. Chairman, regarding priority for service-disabled veterans, PVA feels adamantly very strongly—I can't find all the words to say that they deserve the priority given and they need the priority given through the readjustment periods, rehabilitation periods that are involved and the aging of the veteran in the process.

Being able to have the preference on a priority basis also provides motivation for that veteran to rehabilitate and get back into the workforce. So there are reasons why the service-disabled veteran should receive priority.

I would also mention that regardless of the priority, when there are no long waiting lines for application for VRA programs, that is not to say other veterans won't receive the appointment under the program. So there is no conflict involved in there, but there is a lot to be said about the motivation for re-entry into the community.

Regarding the point that you asked on how we can make the programs better and what our viewpoints are, I would like to suggest that we also sit down with the Federal agencies to see what their viewpoints are and what they have to offer. I am sure that working in these various programs, they have something to say about the process. I am sure that you thought about that, but I would like to go on record as saying that, to include OPM and the Department of Labor and the Veterans Administration. and others, of course.

Thank you.

Mr. PENNY. Thank you. I am going to have to run and cast a vote and I will be back shortly. Now that we have concluded this panel, before we call the next panel forward, we will take a short recess.

[Recess.]

Mr. PENNY. Thank you, again, for your patience.

Next, I want to call our final panel, Mr. Steve Robertson; accompanied by Mr. Emil Naschinski. They are representing the American Legion. Mr. James Magill will testify on behalf of the VFW. He will be accompanied by Bob Jones.

Thank you, again, for being with us and we will start with Mr. Robertson.

Mr. ROBERTSON. Good morning, sir. Mr. Naschinski is going to present our testimony.

STATEMENT OF STEVE A. ROBERTSON, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; ACCOMPANIED BY EMIL W. NASCHINSKI, ASSISTANT DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION; AND JAMES N. MAGILL, DIRECTOR, NATIONAL LEGISLATIVE SERVICES, VETERANS OF FOREIGN WARS; ACCOMPANIED BY ROBERT L. JONES, SPECIAL ASSISTANT/EMPLOYMENT, VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF EMIL W. NASCHINSKI

Mr. NASCHINSKI. Thank you, Steve.

Mr. Chairman, and distinguished members of the subcommittee, the American Legion is very pleased to have an opportunity to comment both on the VRA program and H.R. 2486, which would extend and otherwise modify it.

As you well know, use of the VRA authority by Federal agencies is discretionary, rather than mandatory. As a result, some agencies have all but ignored it. Despite this fact, officials at OPM have informed us that over 300,000 VRA appointments have been made since the program's inception in 1970. They also tell us that 240,000 of these appointments, or 80 percent, have been converted to career or career-conditional appointments.

Not only has the VRA program provided employment for Vietnam-era veterans, but also it has provided those individuals with an opportunity to better themselves through education and training. These benefits have cost the American taxpayer little, if anything. Why? Because those veterans who completed the education and/or training portion of their program are no doubt earning more than they would have if the VRA program had not been available to them. As a result, they are paying more in Federal taxes, which has helped to defray the cost of this program.

Having said that, Mr. Chairman, we would now like to turn our attention to the amendments that H.R. 2486 would make to Subsection 2014 of Title 38, United States Code. As we understand it, this piece of legislation proposes four major changes for the VRA program which include: extending the VRA authority permanently; opening the program to recently discharged veterans; eliminating the current education restrictions; and raising the maximum entry level from GS-9 to GS-11.

The American Legion believes that the first three changes that we have just mentioned could be very helpful in combatting two major veterans employment and training problems that currently exist in this country. The first of these problems concerns the employment of severely disabled veterans. According to statistics that we received from the Assistant Secretary of Veterans Employment and Training, over two-thirds of all veterans who are rated at 60 percent or more have completely dropped out of the labor market. This has occurred because many employers in both the public and private sectors have refused to make the necessary accommodations for their employment.

To say that the American Legion was appalled by this information would be a gross understatement. Although OPM has done an excellent job in recent years of promoting the VRA program, we believe more can and should be done. We further believe that the Federal Government must lead the way in the employment of severely disabled veterans and that it must make every effort to assist these veterans to become productive members of society again.

If the VRA program is extended, it could be used to put many of this country's severely disabled veterans back to work. However, the mere extension of the program is not enough. Based on information contained in OPM's recent report to Congress on DVAAP, it is luminously clear that some Federal agencies have made little or no effort to recruit disabled veterans. The American Legion believes strongly that it is time for the Government to stop paying lip service to our disabled veterans and to make a real commitment regarding their employment.

Mr. Chairman, may we suggest that if Congress does extend this program, it also require OPM to work in concert with both the VA and DOL for the purpose of identifying all disabled veterans who are rated at 60 percent or more and that VRA appointments be offered to those individuals who are willing and able to work.

As I mentioned earlier, the American Legion is also deeply concerned about another major problem regarding veterans employment and training. Today, there is an ever-growing number of dislocated workers in this country. Many of these individuals are veterans who have lost their jobs through no fault of their own. Unfortunately, in most cases, these veterans lack the financial resources necessary to obtain the training and retraining they would need to be able to find new employment. This problem is further exacerbated by the fact that many of these men and women are considered by employers to be older workers.

Mr. Chairman, we believe that by extending the VRA authority and eliminating the restrictions on education, we can provide many of these veterans with the employment they so desperately want and the education and training they need. Without the VRA program, the chances of many of these individuals to find suitable employment will be greatly diminished.

In reviewing the piece of legislation that you and Congressman Smith have drafted, there is very little that the American Legion can find fault with. However, there is one item we feel has been overlooked. That item is the name of the program.

Since the word "readjustment" has fallen into disfavor with OMB and others, may we suggest the word "recruitment" be substituted for it. This, we feel, would also be more in keeping with the new direction that we feel the program should take.

Mr. Chairman, that concludes our statement. Once again, thank you for allowing us this opportunity to share our views on the VRA program and H.R. 2486.

[The prepared statement of the American Legion appears at p. 49.]

Mr. PENNY. Thank you, Emil.

Jim?

STATEMENT OF JAMES N. MAGILL

Mr. MAGILL. Thank you, sir, for the opportunity to appear before this subcommittee to present the views of the Veterans of Foreign Wars with respect to H.R. 2486. This bill, introduced by you and the ranking minority member of the subcommittee, amends the Veterans Readjustment Appointment program.

The VFW considers the VRA an extremely successful program and should be made permanent. Your bill provides for several changes which we believe will enhance the program. Increasing the entry level from GS–9 to GS–11 would allow the Government to attract those veterans clearly qualified for higher-level positions. We would also recommend the elimination of the 14-year educational restriction for nondisabled veterans.

VFW supports the provision which defines a recently discharged veteran as one who was discharged or released from active duty within 4 years from receiving an appointment.

The VFW also recommends that the VRA program be renamed the Veterans Recruitment Appointment. This suggestion, we believe, would lend a positive tone and be more fitting should the VRA program be made permanent.

In closing, Mr. Chairman, we would suggest the VRA program contain a provision which requires a Federal employer to establish a case manager for those Vietnam-era veterans who have been identified as having readjustment difficulties. This would assist them in their integration into the Federal labor force.

This concludes my statement and we will be happy to respond to any questions you may have.

[The prepared statement of Mr. Magill appears at p. 53.]

Mr. PENNY. Thank you. We appreciate your testimony.

I do want to indicate to Ron Drach, from the DAV, as well as the witnesses at the table presently, that I agree with the recommendation you have made to rename the program. Unless I find objections from other members of the subcommittee, we will plan to proceed with that as an amendment to the bill.

I think it more properly identifies what we are trying to achieve here and does not carry with it the same stigma that the existing name seems to have incurred.

The statistic that you mentioned, Mr. Naschinski, in your testimony about 60 percent disabled veterans dropping out of the labor market entirely—I think you said two-thirds of them are no longer in the labor market. Where did you say that you got that data and has there been any kind of a survey of those individuals to find out what, in fact, they identified as the barrier to their employment?

Mr. NASCHINSKI. Mr. Chairman, we received that information from the Assistant Secretary of Veterans Employment and training. As far as the survey, I don't know if that information is available or if that has been done, but we will be happy to look into that matter and supply you with whatever information we have received.

Mr. PENNY. Do you have any data on the age level of those veterans?

Mr. NASCHINSKI. No, sir.

Mr. PENNY. That would be very helpful. It would, I think, be beneficial to us to know whether these are veterans who are reaching retirement age, and therefore, would be in a position where maybe they have been able to draw early retirement or social security or some other program of whether there are a lot of these who are in that mid-level, in their 40s or so, that certainly would be available for work if they felt work were available to them.

Mr. NASCHINSKI. We will be happy to research that and get the information to you.

[The information appears at p. 63.]

Mr. PENNY. I take it that your view is that the program, at least for disabled veterans, ought to be broadened to cover disabled veterans of all eras? I don't know that you spoke to that specifically, unless I was——

Mr. NASCHINSKI. We have no problem with that.

Mr. PENNY. I don't recall you mentioning that specifically in your testimony, but if you want to reach this population group that you have described, I believe on the second page of your testimony. It seems to me that we would be talking about a larger population group than those from the Vietnam era.

Both of you, Mr. Naschinski and Mr. Magill, made reference to kind of an outreach effort and I think that that has some merit. The previous panel discussed that as well.

How best might we achieve that if we are talking about focusing on either the disabled population or on regions in the country where there has been significant displacement involving a high percentage of veterans? What do you think is the best way that we might put some kind of an outreach program in place without encumbering an unnecessary amount of paperwork and bureaucracy?

Mr. JONES. Thank you, Jim.

Sir, I appreciate the courtesy to be brought up to the table and allowed to respond to some of these questions.

I think, first and foremost, as indicated earlier by Mr. Drach, my counterpart from the Disabled American Veterans, replication of the career assistance program that has been established on the West Coast, which is basically a community-based recruiting facility for the Federal Government, which brings in disabled veterans and VRA eligibles, and assists them in obtaining Federal employment will improve outreach and placement. I think that CAPS (Career Awareness Program) is a very small cost-effective program that would be very beneficial for the Federal Government to expand.

In addition, in Region 5, the Chicago region, there is a multi-State information sharing system where they are taking VRA-eligible veteran resumes and automating them and cross-sharing that information throughout the various States within the region. I think that program also should be replicated and will be a very cost-effective way of outreaching and providing information to Federal agencies helping them in meeting their recruiting needs.

Mr. ROBERTSON. Sir, I feel that one big asset would be if we could start this at the top. Everybody knows that when the boss speaks, everybody is supposed to be listening. If it starts at the head of the departments that are responsible for hiring, I think it will filter

down and then there will be a demand, so to speak, for the individuals eligible for these programs.

Mr. PENNY. That is another concern, I guess, that I have. There did seem to me, in the testimony this morning, to be a rather uneven pattern of application of the VRA among departments and agencies. It was suggested that maybe the veterans groups could get together with OPM and OMB and others in the Executive Branch that are involved in coordinative functions to see if you can't streamline things a little more, share information a little more.

Mr. ROBERTSON. I really believe that if this is part of an evaluation process, if I am going to evaluate a person's performance and his duties and he is supporting all the programs endorsed by the administration and Congress, I just can't help but believe that would be the additional pressure that would be needed to increase the demand for extending the hand to help out these individuals.

Mr. JONES. If I might add, sir, there was a consensus of some 200 veterans advocates who met in April of 1988, and subsequently in a veterans conference that was held in Spokane, Washington, just recently, that there is a necessity for the establishment of a national employment policy concerning the employment and training of veterans.

Now, that has been discussed extensively at the Secretary of Labor's Veterans Employment Committee, but the focus of that has been predominantly on the private-sector employment and training programs and I would submit that any national employment and training policy that addresses veterans has to include the public sector. They have a major role in veterans employment which would support the comments by my colleague from the American Legion.

Mr. PENNY. Most organizations this morning have indicated support for expanding the coverage of disabled veterans back through the years to cover all the conflicts. I am a bit concerned about that other population of older veterans who might be displaced by plant closings or whatever, but I recognize as well that that gets to be a more complicated kind of challenge for us to open it up for them, but to not open it up more generally for all veterans of all eras.

Do you have any guidance that you could give us if we were to consider trying to focus this in regions of displacement where older veterans who normally wouldn't qualify could be brought under the protections or the opportunities of this legislation?

Mr. ROBERTSON. Sir, in my past experience of working in the job employment arena as a DVOP myself, it seems a lot of times the smaller the slice of the pie or the individuals involved, they tend to be overlooked a lot easier. By broadening it and enabling more people to participate in the program, I don't think it will hurt the program as much as it may help it.

Mr. JONES. The VRA program was, in effect, a training program to assist people to obtain jobs within the Federal Government. Recognizing that the older worker, the older veteran who has been displaced will be 55 years of age or older, I think that it would be of benefit to include them in consideration for eligibility and our proposal, of course, as testified by Mr. Magill, would open up that program to them by capturing and providing services to the recently

separated veterans, those veterans who have campaign or expedition or combat action medals, as well as the service-connected disabled veteran.

I think that would capture that population.

Mr. PENNY. We will certainly give that consideration as we move to a mark-up.

What about the limitation on the recent veteran having the recruitment opportunity limited to 4 years upon their discharge from the military? Do you think that that is an appropriate cut-off or how should we handle the veterans population from this point forward?

Mr. JONES. Sir, I believe that the definition of a recently separated veteran as being defined as 4 years is very well done for several reasons. This morning, in preparation for coming over to this hearing, I was reading a U.S. Army recruiting command study, which showed that the earning trajectories of the recently separately veteran dropped significantly during his first year and then it begins to climb back up over a 4-year period.

The Department of Labor, in a report of the Secretary's Committee of Veterans Employment, released a statement that a recently separated veteran takes approximately 5 years to become competitive in earning power compared to his nonveteran counterpart. So for those reasons alone, I think that definition of 4 years is sufficient.

Then I believe, in terms of trying to develop an employment policy, conformity is extremely important and the definition of a recently separated veteran in other legislation is defined as 4 years after discharge.

So for those three reasons, I believe that 4 years is extremely important.

Mr. PENNY. Mr. Naschinski, do you have——

Mr. NASCHINSKI. We would concur with that, sir.

Mr. PENNY. Okay.

I don't have any further questions for this panel, but we do appreciate your testimony and hope that you will stay in touch with our staff as we move toward a subcommittee mark-up on this legislation. A number of the ideas and suggestions that were brought forward in the testimony today will be given serious consideration as possible amendments during that mark-up, and as always, your counsel and your advice will be appreciated in that effort.

Mr. Ridge, do you have any questions or remarks you want to include in the record this morning?

Mr. RIDGE. First of all, I want to apologize to you for my tardiness and I assure those witnesses who preceded this panel that I will review their testimony. I want to thank you, gentlemen, particularly for yours. I did have a couple of very, very brief questions.

Inasmuch as you represent and sometimes replicate representation of the same veterans—I mean, I, for one, belong to several of those organizations, so you understand what I mean by replicating—but I am curious whether or not any of your organizations have internally a mechanism at the local level whereby a disabled veteran or someone eligible for the VRA program may contact somebody in the Legion, somebody in the VFW, somebody in the DAV, to express an interest in working with and for the Federal

Government and then, internally, use your organizations to find the information about job availability?

Is that something that you have undertaken and is it in a formal way or is it done informally?

I would like to have you all respond. I am just very curious as to whether or not you are engaged in that kind of activity internally.

Mr. ROBERTSON. Yes, sir. As I am sure you are well aware, one of the major foundations of the American Legion was the employability of veterans when they returned.

Mr. RIDGE. Right.

Mr. ROBERTSON. This breaks all the way down to our post level, our local post level. We have an individual who is the chairman of a committee that is responsible strictly to referring veterans who are looking for employment to DVOPs, to get them into the system. There is an active level at the post level in every community.

Mr. RIDGE. Okay. Anyone else care to comment?

Mr. JONES. I would say the same thing from the Veterans of Foreign Wars, sir. We do have a network of post and department employment officers, but it is important to keep in mind that these are laymen. They are volunteers. They are not employment experts. They do have information available and know where to refer people so that there is a network, but I would say, at best, it is a very informal network.

At the national level, I am used to access Federal Executive Boards and various Federal agencies across the country to bring to their attention employment issues that affect veterans.

Mr. RIDGE. I appreciate your observations. One thing that has always puzzled me, Mr. Chairman, relating to anyone who seeks employment within the Federal Government is that there is no national master list of opportunities you can go to. We get, I think, bi-monthly or monthly reports of jobs, Federal jobs available within our region, but there is no document or single list of employment opportunities within the system. I don't know if it is possible or not, but I can appreciate the real-world problems that some of your local people have in trying to assist disabled veterans or veterans otherwise qualified for this to seek Federal jobs because it is difficult to identify precisely where they are.

Again, I appreciate your input and I appreciate you having this hearing, Mr. Chairman; thank you.

Mr. PENNY. We did discuss with an earlier panel the possibility of having the departments and agencies share veteran applicants, because oftentimes, a veteran may walk into one office and apply and in terms of the VRA process within that office, he is given every opportunity to become employed, but if a number of veterans applying to that agency don't get a job because the slots are limited, the other agency down the block may not be aware that those veterans are interested in employment.

So that is something we haven't addressed in this bill, but I think it is one of those items that we ought to continue to discuss with the agency and with the veterans groups to see if we can't, in some way, address that in the future.

[Whereupon, at 10:55 a.m., the subcommittee was adjourned, to reconvene subject to the call of the Chair.]

Again, thank you for your testimony. We appreciate your cooperation in the hearing this morning and, in spite of the interruptions, we made it within the 2-hour timeframe.

APPENDIX

101ST CONGRESS
1ST SESSION

H. R. 2486

To amend title 38, United States Code, with respect to veterans' readjustment appointments authorized by such title.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1989

Mr. PENNY (for himself and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend title 38, United States Code, with respect to veterans' readjustment appointments authorized by such title.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VETERANS' READJUSTMENT APPOINTMENTS.

(a) IN GENERAL.—(1) Section 2014(b)(1) of title 38, United States Code, is amended—

(A) by inserting "and other veterans described in paragraph (2) of this subsection" after "Vietnam era" in the material preceding clause (A);

(B) by striking out "GS–9" in clause (A) and inserting in lieu thereof "GS–11";

(C) by striking out "of the Vietnam" in clause (C) and all that follows in that clause through "line of duty";

(D) by redesignating clause (D) as clause (F);

(E) by striking out "and" at the end of clause (C); and

(F) by inserting after clause (C) the following new clauses:

"(D) a veteran who has more than 14 years of education and who is entitled to disability compensation under the laws administered by the Department of Veterans Affairs or whose discharge or release from active duty was for a disability incurred or aggravated in line-of duty shall be given a preference for such an appointment over other veterans;

"(E) appointments for veterans described in paragraph (2) of this subsection may be made; and".

(2) Section 2014(b)(2) of such title is amended to read as follows:

"(2) The other veterans referred to in the material preceding clause (A) of paragraph (1) of this subsection are veterans whose last discharge or release from active duty occurred within the four-year period immediately preceding an appointment of such veteran under this subsection. For purposes of this subsection, the last discharge or release from

active duty shall not include any discharge or release from active duty of less than 90 days of continuous service unless the individual involved is discharged or released for a service-connected disability, for a medical condition which pre-existed such service and which the Secretary determines is not service connected, or for hardship.".

(b) CONFORMING AMENDMENTS.—Section 2014(a) of such title is amended—

(1) by striking out "and veterans" and inserting in lieu thereof a ", veterans"; and

(2) by inserting before the period the following: ", and other veterans described in subsection (b)(2) of this section".

(c) EFFECTIVE DATE.—The amendments made by this Act shall apply only to appointments made after the date of the enactment of this Act.

○

THE WHITE HOUSE,
February 7, 1968.

Executive Order 11397

AUTHORIZING TRANSITIONAL APPOINTMENTS OF VETERANS WHO HAVE SERVED DURING THE VIETNAM ERA

WHEREAS the Federal Government has the obligation to facilitate the transition of veterans from service in the armed forces during the Vietnam era to employment in civilian pursuits;

WHEREAS many veterans have not completed education or training adequate to prepare them for the future job demands of civilian employment;

WHEREAS the Government recognizes that the acquisition of adequate education or training is an essential element in preparing individuals for employment in our present society;

WHEREAS the Government as an employer has a continuing need for skilled employees and a corresponding duty to encourage the acquisition of adequate education or training by its employees; and

WHEREAS the acquisition of necessary education or training can be combined effectively with productive employment:

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution of the United States, by sections 3301 and 3302 of title 5, United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. (a) Under such regulations as the Civil Service Commission may prescribe, the head of an agency may make an excepted appointment (to be known as a "transitional appointment") to any position in the competitive service at GS–5 or below, or the equivalent thereof, of a veteran or disabled veteran as defined in section 2108 (1), (2) of title 5, United States Code, who:

(1) served on active duty in the armed forces of the United States during the Vietnam era;

(2) at the time of his appointment has completed less than one year of education beyond graduation from high school, or the equivalent thereof; and

(3) is found qualified to perform the duties of the position.

(b) An employee given a transitional appointment under paragraph (a) of this section serves subject to:

(1) the satisfactory performance of assigned duties; and

(2) the satisfactory completion, within such reasonable time as is prescribed in the regulations of the Civil Service Commission, of not less than one school year of full-time approved education or training, or the equivalent thereof, except that two school years of full-time approved education or training, or the equivalent thereof, shall be required when an employee has not completed high school, or the equivalent thereof, by virtue of that education or training.

(c) An employee who does not satisfactorily meet the conditions set forth in paragraph (b) of this section shall be removed in accordance with appropriate procedures.

(d) An employee who satisfactorily meets the conditions set forth in paragraph (b) of this section and who has completed not less than one year of current continuous employment under a transitional appointment shall, in accordance with the regulations of the Civil Service Commission, be converted to career-conditional or career employment when he furnishes his employing agency proof of the satisfactory completion of the required education or training. An employee converted under this paragraph shall automatically acquire a competitive status.

(e) In selecting an applicant for appointment under this section, an agency head shall not discriminate because of race, color, religion, sex, national origin, or political affiliation.

SEC. 2. A person eligible for appointment under section 1 of this order may be appointed only within one year after his separation from the armed forces, one year following his release from hospitalization or treatment immediately following his separation from the armed forces, or one year after the effective date of this order, whichever is later.

SEC. 3. Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service shall also disqualify a person otherwise eligible for appointment under section 1 of this order.

SEC. 4. For the purpose of this order:

(a) "agency" means a military department as defined in section 102 of title 5, United States Code, an executive agency (other than the General Accounting Office) as defined in section 105 of title 5, United States Code, and those portions of the legislative and judicial branches of the Federal Government and of the government of the District of Columbia having positions in the competitive service; and

(b) "Vietnam era" means the period beginning August 5, 1964, and ending on such date thereafter to be determined by Presidential proclamation or concurrent resolution of the Congress.

Lyndon B. Johnson

Executive Order 11521

AUTHORIZING VETERANS READJUSTMENT APPOINTMENTS FOR VETERANS OF THE VIETNAM ERA

WHEREAS this Nation has an obligation to assist veterans of the armed forces in readjusting to civilian life;

WHEREAS the Federal Government, as an employer, should reflect its recognition of this obligation in its personnel policies and practices;

WHEREAS veterans, by virtue of their military service, have lost opportunities to pursue education and training oriented toward civilian careers;

WHEREAS the Federal Government is continuously concerned with building an effective workforce, and veterans constitute a major recruiting source; and

WHEREAS the development of skills is most effectively achieved through a program combining employment with education or training:

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution of the United States, by sections 3301 and 3302 of title 5, United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. (a) Subject to paragraph (b) of this section, the head of an agency may make an excepted appointment, to be known as a "veterans readjustment appointment", to any position in the competitive service up to and including GS-5 or the equivalent thereof, of a veteran or disabled veteran as defined in section 2108(1), (2), of title 5, United States Code, who:

(1) served on active duty in the armed forces of the United States during the Vietnam era;

(2) at the time of his appointment has completed not more than fourteen years of education; and

(3) is found qualified to perform the duties of the position.

(b) Employment under paragraph (a) of this section is authorized only under a training or educational program developed by an agency in accordance with guidelines established by the Civil Service Commission.

(c) An employee given a veterans readjustment appointment under paragraph (a) of this section shall serve subject to:

(1) the satisfactory performance of assigned duties; and

(2) participation in the training or educational program under which he is appointed.

(d) An employee who does not satisfactorily meet the conditions set forth in paragraph (c) of this section shall be removed in accordance with appropriate procedures.

(e) An employee serving under a veterans readjustment appointment may be promoted, reassigned, or transferred.

(f) An employee who completes the training or educational program and who has satisfactorily completed two years of substantially continuous service under a veterans readjustment appointment shall be converted to career-conditional or career employment. An employee converted under this paragraph shall automatically acquire a competitive status.

(g) In selecting an applicant for appointment under this section, an agency shall not discriminate because of race, color, religion, sex, national origin, or political affiliation.

SEC. 2. (a) A person eligible for appointment under section 1 of this order may be appointed only within one year after his separation from the armed forces, or one year following his release from hospitalization or treatment immediately following his separation from the armed forces, or one year after involuntary separation without cause from (i) a veterans readjustment appointment or (ii) a transitional appointment, or one year after the effective date of this order if he is serving under a transitional appointment.

(b) The Civil Service Commission may determine the circumstances under which service under a transitional appointment may be deemed service under a veterans readjustment appointment for the purpose of paragraph (f) of section 1 of this order.

SEC. 3. Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service shall also disqualify a person otherwise eligible for appointment under section 1 of this order.

SEC. 4. For the purpose of this order:

(a) "agency" means a military department as defined in section 102 of title 5, United States Code, an executive agency (other than the General Accounting Office) as defined in section 105 of title 5, United States Code, and those portions of the legislative and judicial branches of the Federal Government and of the government of the District of Columbia having positions in the competitive service; and

(b) "Vietnam era" means the period beginning August 5, 1964, and ending on such date thereafter as may be determined by Presidential proclamation or concurrent resolution of the Congress.

SEC. 5. The Civil Service Commission shall prescribe such regulations as may be necessary to carry out the provisions of this order.

SEC. 6. Executive Order No. 11397 of February 9, 1968, is revoked. Such revocation shall not affect the right of an employee to be converted to career-conditional or career employment if he meets the requirements of section 1(d) of Executive Order No. 11397 after the effective date of this order.

SEC. 7. This order is effective 14 days after its date.

Richard Nixon

THE WHITE HOUSE,
March 26, 1970.

OPENING STATEMENT OF REP. CHRIS SMITH, NJ
VETERANS' AFFAIRS SUBCOMMITTEE ON
EDUCATION, TRAINING, AND EMPLOYMENT
HEARING ON HR 2486, TO AMEND THE VRA PROGRAM
JUNE 21, 1989

Thank you Mr. Chairman.

Mr. Chairman, I am pleased that our Subcommittee is holding this hearing today and thank you for arranging it. It is essential that we make revisions in the VRA program in order to address the changing needs of the veteran population. I believe HR 2486 makes some very important adjustments in this regard.

During an April 27th hearing held by this Subcommittee on the DVAAP program, we found that the federal government is not satisfactorily fulfilling their responsibility to hire disabled veterans. One of the problems identified by the GAO study discussed during this hearing was the lack of awareness and implementation of the VRA program.

It obviously is essential that federal employers know about this program and use it to benefit veterans and disabled veterans. Some of the provisions we are considering-- making the program permanent, adjusting it to the ways of today's federal agencies, and adapting it to the current veteran population-- will make the VRA program a more workable and appropriate hiring tool. Hopefully, this will lead to greater use.

Mr. Chairman, the government's obligation to encourage employment of veterans, especially disabled veterans, will never end. The legislation we are discussing today will help see to it that veterans are given the opportunities they deserve. I look forward to hearing from our witnesses today for their contributions to this legislation.

STATEMENT OF
HONORABLE CONSTANCE BERRY NEWMAN -
DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON EDUCATION, TRAINING,
AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

at a hearing on

H.R. 2486, A BILL CONCERNING
VETERANS' READJUSTMENT APPOINTMENTS

JUNE 21, 1989

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

THANK YOU FOR INVITING THE OFFICE OF PERSONNEL MANAGEMENT TO APPEAR THIS MORNING TO DISCUSS H.R. 2486, A BILL CONCERNING THE VETERANS' READJUSTMENT APPOINTMENT, OR "VRA", PROGRAM. IF I MAY, I WOULD LIKE TO BEGIN WITH A BRIEF DISCUSSION OF THE PROGRAM.

THE VRA PROGRAM WAS ESTABLISHED BY EXECUTIVE ORDER IN 1970, AND HAS SINCE BEEN EXTENDED AND MODIFIED BY STATUTE SEVERAL TIMES. THE PROGRAM WAS DESIGNED TO ASSIST DISADVANTAGED AND DISABLED VIETNAM-ERA VETERANS IN GAINING SKILLS AND TRAINING THAT WOULD ALLOW THEM TO COMPETE SUCCESSFULLY IN THE JOB MARKET AND ENTER THE MAINSTREAM OF AMERICAN SOCIETY. UNDER

THE CURRENT LAW, VIETNAM-ERA VETERANS WHO ARE DISABLED OR WHO HAVE NO MORE THAN 14 YEARS OF EDUCATION ARE ELIGIBLE FOR NONCOMPETITIVE APPOINTMENTS TO POSITIONS AT GS-9 AND BELOW. AFTER SATISFACTORILY COMPLETING 2 YEARS OF EMPLOYMENT AND TRAINING, THESE VETERANS CAN BE CONVERTED TO THE COMPETITIVE CIVIL SERVICE.

THE VRA PROGRAM HAS BEEN REMARKABLY SUCCESSFUL. ALMOST 300,000 VETERANS HAVE BEEN HIRED UNDER THIS PROGRAM SINCE 1970, AND OVER 80 PERCENT OF THESE HAVE SUCCESSFULLY COMPLETED THE PROGRAM AND CONVERTED TO THE COMPETITIVE CIVIL

SERVICE. IN FISCAL YEAR 1988, NEARLY 11,000 VETERANS WERE HIRED UNDER THE VRA. WOMEN VETERANS RECEIVED SIX PERCENT OF THESE APPOINTMENTS, AND MINORITY VETERANS, 38 PERCENT.

AS TIME PASSES, THOUGH, WE ARE INEVITABLY SEEING A DECLINE IN THE NUMBER OF VIETNAM-ERA VETERANS WHO ARE ELIGIBLE AND AVAILABLE FOR EMPLOYMENT. THE UNEMPLOYMENT RATE FOR VIETNAM-ERA VETERANS IN GENERAL, 3.7 PERCENT, IS SIGNIFICANTLY LOWER THAN THE 5.3 PERCENT UNEMPLOYMENT RATE FOR NONVETERANS. HOWEVER, THERE IS EVIDENCE THAT CERTAIN OF OUR VIETNAM-ERA VETERANS DO STILL NEED HELP. THOSE VETERANS WHO ACTUALLY SERVED IN THE VIETNAM THEATER OF OPERATIONS HAVE A 5.2 PERCENT UNEMPLOYMENT RATE, AND DISABLED VIETNAM-ERA VETERANS HAVE A 6.2 PERCENT UNEMPLOYMENT RATE.

NOW I WOULD LIKE TO TURN TO THE BILL BEFORE THE SUBCOMMITTEE, H.R. 2486, AND I WOULD ALSO LIKE TO MENTION A RELATED PROPOSAL IN THE SENATE, SECTION 113 OF S. 13.

H.R. 2486 WOULD RESHAPE THE VRA IN SEVERAL FUNDAMENTAL WAYS. FIRST, IT WOULD ELIMINATE THE LIMITATION TO VIETNAM-ERA VETERANS BY EXTENDING THE AUTHORITY FOR NONCOMPETITIVE APPOINTMENTS TO ANY VETERAN DURING THE FIRST FOUR YEARS FOLLOWING DISCHARGE FROM THE SERVICE. THE RESTRICTION TO NO MORE THAN 14 YEARS OF EDUCATION FOR NON-DISABLED VETERANS WOULD BE ELIMINATED, ALTHOUGH DISABLED VETERANS WITH MORE THAN 14 YEARS OF EDUCATION WOULD BE GIVEN A PREFERENCE OVER OTHER VETERANS. THE GS-9 LIMITATION ON APPOINTMENT LEVEL WOULD BE RAISED TO GS-11. FINALLY, THE PROGRAM WOULD BE MADE PERMANENT.

SECTION 113 OF S. 13, ON THE OTHER HAND, WOULD ADDRESS THE DECLINING UTILITY OF THE VRA BY REFOCUSING THE PROGRAM. RECOGNIZING THE CONTINUING DISPARITIES IN UNEMPLOYMENT RATES,

S. 13 WOULD EXTEND THE PROGRAM ANOTHER TWO YEARS BEYOND ITS CURRENT DECEMBER 1989 EXPIRATION DATE, AND WOULD LIMIT THOSE ELIGIBLE TO THE TWO GROUPS IN GREATEST NEED OF HELP--THE DISABLED AND THOSE WHO ACTUALLY SERVED IN THE VIETNAM THEATER.

H.R. 2486 APPEARS TO US TO GO FAR BEYOND THE RATIONALE FOR THE VRA PROGRAM, AND WOULD FUNDAMENTALLY CHANGE THE WAY VETERANS ENTER FEDERAL SERVICE. ALTHOUGH WE THINK THE CONCEPTS PRESENTED IN THIS BILL ARE INTERESTING, WE ARE NOT SURE HOW APPROPRIATE THE 2-YEAR TRAINING AND WORK EXPERIENCE CONCEPT IS FOR POSITIONS AS HIGH AS GS-11, OR FOR COLLEGE GRADUATES.

WITH RESPECT TO S. 13, WE CAN CERTAINLY AGREE WITH THE NEED TO CONCENTRATE OUR EFFORTS ON THE APPOINTMENT OF DISABLED AND VIETNAM THEATER VETERANS. THE VRA IS A PROGRAM DESIGNED WITH A SPECIFIC PURPOSE, WHICH HAS LARGELY BEEN ACCOMPLISHED, AND IT MAKES SENSE TO CONCENTRATE NOW ON THE AREAS WHERE THERE IS STILL NEED.

IN SUMMARY, THEN, WE THINK THE SPECIFIC QUESTION OF WHAT TO DO WITH THE EXPIRING VRA PROGRAM IS BEST ADDRESSED BY FOCUSING OUR EFFORTS UNDER THE PROGRAM ON THOSE STILL IN NEED OF HELP, NAMELY, THE DISABLED AND THOSE WHO ACTUALLY SERVED IN THE VIETNAM THEATER OF OPERATIONS. ACCORDINGLY, WE WOULD RECOMMEND THAT THIS SUBCOMMITTEE CONSIDER A PROPOSAL MORE ALONG THE LINES OF SECTION 113 OF S. 13.

THANK YOU. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS THE SUBCOMMITTEE MAY HAVE.

STATEMENT OF
FRANK R. DE GEORGE, ASSOCIATE LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
OF THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING
H.R. 2486
To amend title 38, United States Code, with
respect to Veterans' Readjustment Appointments authorized by
such title.
JUNE 21, 1989

Mr. Chairman, and Members of the Subcommittee, it is a pleasure and personal privilege to appear here today on behalf of Paralyzed Veterans of America (PVA), a Congressionally chartered veterans' service organization. PVA appreciates this opportunity to present its views and concerns as they relate to the purpose of determining in what ways the Veterans' Readjustment Appointment (VRA) program should be amended in order to reflect changes in the status of veterans which have occurred since the program was established in 1970. We also want to thank Representatives Timothy J. Penny and Chris Smith for introducing H.R. 2486.

Since its inception, the Veterans' Readjustment Appointment program remains to be a vital program that enhances the employment opportunity in the federal government for qualified service disabled veterans and veterans of the Vietnam Era. Over the years, almost 280 thousand veterans have been hired by the federal government via the VRA authority contained in title 38, United States Code, Section 2014.

PVA supports several provisions of the bill to amend title 38. We believe expanding the authority to extend program eligibility to "other veterans", while maintaining the VRA preference for service disabled veterans and veterans of the Vietnam Era is essential. To elaborate and to ensure that there are no misconceptions, PVA believes that ALL service disabled veterans, regardless of their period of service, should receive permanent and foremost preference in the VRA program, and that veterans of the Vietnam Era are entitled to a priority status that is also recognized to be higher than that for "other veterans."

In addition, we must comment that it appears that this legislation and the current regulations may make a distinction between providing VRA program assistance to veterans who have served in peacetime or wartime periods of military service. Certainly those who have served during periods of hostility, as in Lebanon, Beirut, the Mediterranean, Grenada, and other places should also be entitled to consideration for the VRA program. We ask the Subcommittee to review and assure the proper recognition of these veteran for inclusion and eligibility to the VRA Program.

In our estimation, the overall success of the VRA program demonstrates and provides the rationale for the amendment to delineate the expiration date by making the established authority permanent for VRA program appointments. PVA supports this warranted amendment.

PVA further supports raising the VRA appointment grade level limitation from "GS-9" to "GS-11". In fact, PVA would seek the agreement of others by recommending the future examination and consideration to remove the grade limitation entirely, but not without investigating what the impact it may have on the employment of veterans.

We reaffirm our belief that it is incumbent on the federal government to uphold the intent of Congress by promoting the "maximum of employment and career opportunities within the federal government" for veterans as defined and redefined by these amendments to Section 2014, title 38.

Mr. Chairman, according to a recent General Accounting Office report, the service disabled veteran and veterans of the Vietnam Era have high unemployment rates and are not adequately represented in the federal government workforce.

The Office of Personnel Management (OPM) should certainly concentrate on its responsibility to improve the Government's hiring record of these deserving individuals. We believe the merits of the VRA program must be maintained. It is a viable employment tool for veterans and will enhance their consequential contribution to society as taxpayers. The VRA program should continue to serve as many individuals as possible.

Mr. Chairman, Members and staff of the Subcommittee, we appreciate your continuing interest and support of the needs and programs for veterans. This concludes our statement, I will be happy to answer any questions that I can.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, EMPLOYMENT AND TRAINING
OF THE
VETERANS AFFAIRS COMMITTEE
U.S. HOUSE OF REPRESENTATIVES
June 21, 1989

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 1.3 million members of the Disabled American Veterans and its Ladies' Auxiliary, I am pleased to appear before you today to discuss the all-important issue of the Veterans' Readjustment Appointment (VRA) authority. The authority for federal agencies to make VRA appointments expires December 31, 1989, and, therefore, these hearings and your proposed legislation are timely.

Mr. Chairman, the VRA was initially codified in Section 2014(b)(1) of Title 38, U.S. Code, by Public Law 93-508 and has been amended several times to extend the expiration date, as well as elevate the maximum grade level to which eligible veterans may be appointed. Prior to that, VRA appointments were authorized under Executive Order 11521, dated March 26, 1970, signed by President Nixon. However, on February 9, 1968, President Johnson issued Executive Order 11397 authorizing "Transition Appointments" for Vietnam era veterans. Mr. Chairman, we have had some form of VRA for more than 20 years. The VRA has been a very successful tool when properly used by federal agencies to facilitate access to federal jobs by Vietnam era veterans.

Approximately 280,000 appointments have been made since 1970. OPM estimates 80% have been converted to career employment. Other information exists to conclude that many others left federal employment for competitive jobs in the private sector. In Fiscal Year 1987, approximately 18% of the appointees left for voluntary reasons including appointments to other agencies. The VRA program has been successful. I suggest, Mr. Chairman, the VRA has been the most successful employment initiative designed for Vietnam era veterans and should be continued.

Mr. Chairman, we have attached our own draft bill for your and the Committee's review and consideration.

Mr. Chairman, VRA should not only be continued but expanded to include all disabled veterans, veterans who have served in other armed conflicts or hostile actions for which a campaign badge has been authorized, and recently separated veterans. We also suggest keeping the acronym VRA but changing the name to Veterans' Recruiting Authority. By the inclusion of these new categories of veterans, "recruitment authority" is much more appropriate than "readjustment authority."

Mr. Chairman, we suggest this expansion because the Veterans' Preference Act of 1944, as amended, has very little application to the way federal departments and agencies hire individuals today. Most agencies can obtain direct hire authority. By virtue of such authority, agencies do not go to OPM for a "certificate of eligibles" and OPM has little, if any, ability to monitor the selection process to assure veterans' preference is applied. Many applicants are assessed and ranked

based on education and work experience and all too often tests are not given, thus, a numerical score is absent. Without a numerical score, preference points cannot be added. The original concept of 5 and 10 point preference envisioned in 1944, while very effective previously, is now virtually meaningless.

While this expansion would not restore a meaningful form of preference, it would provide a continuing means by which federal agencies can easily add veterans and preference eligibles to their payrolls. At the same time, Mr. Chairman, the enactment of this legislation could be the starting point to initiate a dialogue on what form veterans' preference should take in light of today's hiring procedures.

The concept we are proposing is well-established in legislation and judicial scrutiny. The United States Supreme Court in its decision in the Commonwealth of Massachusetts vs. Helen Feeney, et al., stated, in part, that veterans' preference benefits "...have traditionally been justified as a measure designed to reward veterans for the sacrifice of military service, to ease the transition from military to civilian life, to encourage patriotic service, and to attract loyal and well disciplined people to civil service occupations."

Mr. Chairman, the goals embodied by those words are particularly appropriate today and serve not only to help transition veterans from military to civilian life, but also assist the federal government in its recruitment efforts. We have heard all too often the problems experienced by employers in finding, recruiting and hiring qualified people. OPM's problem in doing so is compounded in large part by their lack of competitiveness with the private sector. Military veterans, by virtue of their military experience and training, bring something to the table that cannot and should not be ignored.

Mr. Chairman, former volunteers in the Peace Corps who have completed a full term of service under the Peace Corps Act may be appointed noncompetitively to the federal government. Such appointments must be made within one year after completion of that service. There are some exceptions to that restriction.

We believe that military service in today's all voluntary forces is certainly as important as the Peace Corps. Therefore, we suggest that benefits, such as a noncompetitive appointment authority, for such military service should be comparable to that available to Peace Corps participants.

Mr. Chairman, in the past, DAV has proposed VRA be made a permanent noncompetitive appointing authority. Our thinking on that subject has not changed. We are pleased that your bill does not have a "sunset provision." However, Mr. Chairman, unless something is done to change the definition in Section 2011(2)(B) which states, "No veteran may be considered to be a veteran of the Vietnam era under this paragraph after December 31, 1991," Vietnam era veterans will no longer exist and the VRA would be moot.

Mr. Chairman, it has been alleged that many agencies use the VRA to obtain "temporary" employees. While there is little evidence that would substantiate those allegations, they nonetheless need to be considered. (In Fiscal Year 1987, 1,536 VRA appointees were separated because of "Termination of Appointment.") One way to protect against agencies using the VRA in this manner would be to modify the Act as we are proposing. Our proposal would do away with the required two year training program (the veteran would still have to fulfill a one year probationary period); the veteran could be converted to a career or career conditional position at anytime after the

initial appointment; the veteran could be promoted, reassigned or transferred to a position for which qualified without further restriction; and certain appeal rights would convey to those veterans.

Mr. Chairman, H.R. 2486 introduced by yourself and Mr. Smith on May 24, 1989 is in many ways similar to the proposal offered by the DAV. Two differences, however, do exist which we believe need discussion. Your bill would allow appointments up to and including a maximum level of GS-11. Our proposal continues to hold that level at GS-9. We would not be opposed to the GS-11 position if the name were to be changed to "recruitment." We have stated before and continue to believe that it is difficult to justify the continuation of a "readjustment benefit" that has an entry-level wage of almost $29,000. By contrast, Mr. Chairman, the entry-level wage for GS-9 is currently $23,846. We agree that the veterans we are talking about who qualify for a GS-11 position should be considered. Therefore, we strongly urge this change which we believe is justifiable based on our attempts to not only ease the transition from military to civilian life, but also provide federal departments and agencies an easy method under which they can appoint qualified veterans.

Mr. Chairman, we also have reservation about the agencies' desire or willingness to make appointments above GS-9. In Fiscal Year 1987, there were a total of 7,583 VRA appointments to General Schedule (GS) positions and 5,150 wage-grade (WG) non-supervisory positions. In Fiscal Year 1987, only 7.5% of the appointments were in administrative positions and .2% were in the professional category. By contrast, all appointments at GS-6 and WG-6 and below constituted 77.5% of the total appointments. Agencies tend not to use the VRA for the higher level positions as is obvious from the record.

Mr. Chairman, the other major difference in the two proposals is your provision to delete the current restriction on nondisabled Vietnam era veterans relative to education attainment. Under present law, those nondisabled Vietnam era veterans with more than 14 years of education are not entitled to a VRA. By contrast, disabled Vietnam era veterans are not restricted by the 14 year education provision. This obviously provides an additional "edge" to disabled veterans of the Vietnam era because those who continue their education through a vocational rehabilitation program can be appointed noncompetitively following completion of that training. This provides disabled veterans an opportunity to obtain extra academic credentials which make them more marketable to federal agencies and departments. Deleting the 14 year restriction on nondisabled Vietnam era veterans would put both groups at equal competitive levels.

Mr. Chairman, we already know that disabled Vietnam era veterans suffer much higher unemployment rates than their nondisabled peers. The current authority offers the disabled Vietnam era veteran an opportunity to raise his or her competitiveness level by completion of college.

While we certainly support and thank you for your proposal to provide a "preference" for disabled veterans with more than fourteen years of education, that preference would be virtually unenforceable. OPM cannot enforce basic veterans' preference as provided by the Veterans' Preference Act of 1944, as amended. The same lack of enforcement would occur if your proposed measure were enacted into law. Nevertheless, we encourage its passage and urge the adoption of the following amendment: "Any disabled veteran, as defined, who believes that such preference has not been accorded, may file a complaint with the Office of Personnel Management. Before the hiring agency may make a

selection of another person, the Office of Personnel Management must make an final determination as to whether or not actual preference was accorded."

Mr. Chairman, at the risk of "reopening" the hearing on DVAAP conducted by this Committee on April 27 of this year, I believe it is important to look at the VRA appointing record for the agencies included in the GAO study. The data provided here are for Fiscal Year 1987 and, regrettably, do not include the Office of Management and Budget (OMB), as they are not included in OPM's report. It would appear, however, that OMB did not use this authority.

AGENCY	TOTAL NEW HIRES	ALL VRA APPOINTMENTS
HHS	14,058	36(0.3%)
DOL	2,606	22(0.8%)
NASA	2,643	12(0.5%)
OPM	1,258	12(1.0%)

Mr. Chairman, the incorporation of the VRA into the agencies' DVAAP plan would help increase VRA appointments. While we have been critical of these agencies relative to their DVAAP and their VRA appointments, we would like to point out something more positive. The following represents the total losses by conversions including voluntary and involuntary separations by these four agencies:

AGENCY	TOTAL LOSSES	CONVERSIONS TO CAREER EMPLOYMENT	VOLUNTARY SEPARATION	INVOLUNTARY SEPARATIONS
HHS	57	48(84.2%)	3(5.3%)	6(10.5%)
DOL	19	10(52.6%)	8(42.1%)	1(5.3%)
NASA	40	29(72.5%)	9(22.5%)	2(5.0%)
OPM	20	5(25.0%)	12(60%)	3(15.0%)

It is, indeed, encouraging to see the relatively high percentage of conversions to career status particularly among HHS and NASA. There were very few involuntary separations among those four agencies which, again, we submit, supports the theory that this is, indeed, a very successful program.

When you combine conversions with voluntary separations, both positive actions, in our opinion, the four agencies average 90% in positive actions on VRA appointees.

Mr. Chairman, that concludes our remarks and I will be happy to answer any questions.

A Bill

To amend title 38, United States Code, to improve and extend the authority for veterans readjustment appointments, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.-- This Act may be cited as the "Veterans Recruitment Act of 1989".

(b) REFERENCES TO TITLE 38.-- Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. VETERANS RECRUITMENT AUTHORITY .-- Section 2014 is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) The Congress makes the following findings:

"(1) Veterans, by virtue of military service, have foregone valuable opportunities to pursue education, training, and employment experiences related to civilian careers.

"(2) This Nation has an obligation to assist veterans of military service in readjusting to civilian life.

"(3) The Federal Government, as an employer, should reflect its recognition of this obligation in its personnel policies and practices

and should serve as a model for employers in the private and public sectors.

"(4) The Federal Government is continuously concerned with building an effective workforce, and veterans constitute a major recruiting force.

"(5) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans, veterans who served during the Vietnam era, veterans of other armed conflicts or hostile actions, and recently-separated veterans.

"(b)(1) In accordance with regulations which the Office of Personnel Management shall prescribe, the head of a department, agency, or instumentality may make an excepted appointment, to be known as a 'veterans recruitment appointment', to any position in the competitive service up to and including the level GS-9 or its equivalent, of --

"(A) a disabled veteran;

"(B) a veteran who had active military, naval, or air service during the Vietnam era and who has, at the time of the appointment, completed not more than fourteen years of education;

"(C) a veteran of an armed conflict or other hostile action for which a campaign badge has been authorized and who has, at the time of the appointment, completed not more than fourteen years of education; or

"(D) a recently-separated veteran who has been discharged or released from active duty and who has, at the time of the appointment, completed not more than fourteen years of education.

"(2) A veteran given a veterans recruitment appointment under this subsection --

"(A) shall serve subject to the satisfactory performance of assigned duties;

"(B) may be promoted, reassigned, or transferred to a position for which qualified without restriction; and

"(C) who does not satisfactorily meet the conditions set forth in this paragraph shall be removed in accordance with appropriate procedures, including, in the case of a veteran whose employment under an appointment is terminated within one year after the date of such appointment, the same right to appeal that termination to the Merit Systems Protection Board as a career or career-conditional employee has during the first year of employment.

"(3) A veteran appointed under this authority may be converted to career-conditional or career employment anytime after the initial appointment. A veteran converted under this paragraph shall automatically acquire a competitive status.

"(4) Any law, Executive order, or regulation which would disqualify an individual for appointment in the competitive service shall also disqualify a veteran otherwise eligible for appointment under this subsection.

"(5) Each agency shall incorporate in the separate specifications required to be submitted by subsection (c) of this section, a discussion of plans for utilization of veterans recruitment appointments.".

SEC. 3. DEFINITION OF RECENTLY SEPARATED VETERAN.--Section 2011 is amended --

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph:

"(5)(A) Subject to subparagraph (B) of this paragraph, the term 'recently-separated veteran' means a person who has served on active duty for a period of 18 months or more and --

"(i) was discharged or released from active duty with other than a dishonorable discharge;

"(ii) was discharged or released from active duty because of a service-connected disability; or

"(iii) is scheduled to be so discharged or released within 180 days.

"(B) No person may be considered to be a recently-separated veteran under this paragraph after two years following the date of discharge or release from active duty.".

Vietnam Veterans of America, Inc.
2001 S St. NW
Suite 700
Washington, DC 20009-1125
(202) 332-2700

STATEMENT OF

VIETNAM VETERANS OF AMERICA, INC.

Presented By

PAUL S. EGAN
LEGISLATIVE DIRECTOR

Before the

HOUSE VETERANS AFFAIRS SUBCOMMITTEE
on
EDUCATION, TRAINING AND EMPLOYMENT

on

EXPANSION OF THE VETERANS READJUSTMENT
APPOINTMENT AUTHORITY PROGRAM

JUNE 21, 1989

Mr Chairman and members of the Subcommittee, the Vietnam Veterans of America, Inc. (VVA) appreciates this opportunity to express its views on recently introduced legislation, HR 2486, to reform and broaden the Veterans Readjustment Appointment authority program (VRA). This is a particularly timely hearing because the VRA is currently scheduled to expire at the end of the current calendar year.

As this subcommittee knows, the Senate Veterans Affairs Committee held a hearing on this issue, among many others, on June 9, 1989. The discussion of the VRA was raised at that hearing in connection with section 113 of S.13. That part of S.13 would extend the VRA for only two years and would target eligibility in a limited fashion. Under the Senate legislation, disabled veterans would continue to be able to avail themselves of the program with no change, but nondisabled veterans would have to be Vietnam theatre veterans and would continue to be subject to the 14 year educational limitation.

The targeted rather than full extension in the Senate bill is apparantly justified by the fact that current unemployment among Vietnam era veterans, according to the Department of Labor (DoL), is somewhat lower than among nonveterans, presumably of the same age.

What the employment figures fail to show, however, is the level of underemployment among Vietnam era veterans who are counted as employed regardless of how low their salary levels happen to be. It is unknown what the precise underemployment level might be because these statistics are no longer collected by the DoL. Smimilarly, the DoL no longer counts individuals who have dropped out of the labor force altogether. If these figures were available, we strongly believe the unemployment picture for Vietnam-era veterans would appear far dimmer.

Moreover, the VRA has had a checkered history and this is partly due to the design of the program. While it holds out on opportunity to secure non-competitive employment with the federal government up to the GS-9 level, the 14 year educational restriction for nondisabled Vietnam era veterans has condemned the program's nondisabled participants to low paying wage grade positions. This is somewhat ironic given the testimony we have heard from agency after agency who bemoan the vacancies in skilled positions owing to shortages of qualified personnel. This is also ironic because so many agencies other than the DVA and DoD (the two overwhelmingly largest users of this voluntary program) repeatedly claim that their respective agency missions skew their available positions in favor of the technically skilled.

At the Senate Committee hearing, and prior to a reviewing of HR 2486, we expressed support for a full extension of the VRA rather than one simply targeted to disabled and Vietnam theatre veterans. To the extent that theatre veterans would be able to continue to avail themselves of the program, we expressed agreement that the Senate extension properly recognized a specific population of veterans who have needed in the past and continue to be in need of added attention. To the extent that this population of veterans would continue to be subject to the 14 year educational limitation, we expressed to the Senate Committee our firm view that the added attention in the Senate VRA extension is insufficient.

With the benefit of an opportunity to review the pending House version of legislation to more completely overhaul the VRA, we are pleased to advise this Subcommittee that we concur with the need for much more than a simple full, as against a targeted, extension of the VRA. The pending House bill makes good sense for a variety of reasons.

The first and perhaps most important reason for supporting the House approach to the VRA is based on our view that Veterans Preference is all but a "dead letter" in the

absence of a written test taken by competitors for federal employment. It will be recalled that veterans are supposed to be given a competitive advantage in federal hiring by receiving an extra five points for nondisabled veterans and 10 points for disabled veterans. These points used to be added to the score received on the Professional and Administrative Career Examination (PACE) that was administered by the Office of Personnel Management (OPM).

In 1980 or 1981, the PACE exam was replaced with a subjective evaluation of candidate qualifications. In the new system of evaluating qualifications, subjective factors such as background (other than academic) as well as ethnic, racial and gender considerations are weighted as a way of overcoming the problems of some groups in performing well on a written test. While there is nothing wrong with a desire to find a method of assessing candidates for federal positions which is blind to ethnic, racial and gender considerations, the absence of a written test deprives veterans of the preference to which they are entitled under law because there remains no objective way to allocate veterans preference points.

In removing the educational limitation, increasing the placement level from a maximum of GS-9 to GS-11 and by retaining the noncompetitive nature of this program, HR 2486 will provide an appropriate updating of veterans preference that has been overdue since the PACE was eliminated.

A second compelling reason for enhancing the VRA is the need to recognize that service in the military following the Vietnam era is generating a new generation of veterans with employment needs that should and can be accommodated under the pending legislation. Many of these veterans can be expected to take advantage of the new Montgomery GI Bill and some of them will undoubtedly later look to the federal government for employment. By extending eligibility for the VRA to these veterans and by eliminating the educational limitations in the program now, many of the employment problems still besetting the Vietnam era generation can be prevented among post-Vietnam era veterans.

A third substantial reason for broadening the program's scope stems from a generalized need to make veterans attractive to the federal employer community. We have seen time and again that federal employment programs for veterans that rely on the state-operated job service around the nation have failed to yield jobs paying decent wages. The reason for this has more to do with the fact that the national state-operated labor exchange accesses less than 10 percent of the national employer community than it has to do with the employment qualifications of veterans. Expanding the scope of the VRA will offer an avenue to legitimate employment that is, for the most part, absent in the current package of employment programs available to veterans. By making a veterans job program attractive to employers, federal employers in this instance, and easy to use, a non-competitive program in this instance, securing good jobs with reasonable prospects for career advancement for our veterans can be expected to be enhanced by the absences of red tape and any implied heavy-handedness toward noncompliant employers that so often detract from an employment program's attractiveness.

The prospect of extending the VRA offers an opportunity to open a dialogue on overall veterans employment policy that has been in need of reexamination for quite some time. Importantly, this is not to suggest that this Subcommittee has been remiss in its employment-directed activities. The subcommittee has been quite diligent in fine-tuning existing programs in spite of the fact that the state operated job service has been an unreliable partner in assuring that these programs are properly implemented.

The reexamination we refer to is one that begins with the conclusion that most of the employment programs developed for veterans have -- whether intended as such or not -- been

implemented in a way that has focused too much attention on the structurally unemployed. The population of structurally unemployed veterans is certainly in need of attention but focusing all the attention, most of the resources and the lion's share of federal veterans employment programs on this population has had the effect of ignoring those veterans who could both best utilize assistance and most benefit an economy undergoing a watershed transition. The veterans referred to here are the underemployed, job ready and trainable veterans whose jobs have been displaced by the development of a service economy and whose middle income positions have completely disappeared for the economic landscape.

In our view, this is a population of veterans having, for the most part, demonstrated their cognitive skills in using the GI Bill to at least some extent. Typically these are individuals who accepted positions in the heavy industrial and manufacturing sectors, positions for which they were exceedingly overqualified by contrast with their similarly aged, similarly situated nonveteran peers. These are the individuals who accepted factory-type jobs at middle income wages rather than compete with other segments of the "baby boom" generation who were unfettered by military service. If, in our judgement, these veterans are ignored in our overall national employment policy-making considerations, the economy will have missed an opportunity to take advantage of a significant resource, a human resource that is not only prepared for retraining but one which could very well be relied upon as a buffer against continued export of American jobs as the nation begins to lay plans for preparing the next generation of American workers for the increasingly technical demands of a completely rearranged industrial environment.

The truth in this discussion is revealed rather dramatically when it is understood that most displaced workers who are veterans used the GI Bill at least partially. Their concentration in the now collapsed heavy industrial and manufacturing sectors is rather lucidly evidenced by noting that veterans represent only 12-13 percent of the total labor force but constitute between 22 and 26 percent of all dislocated workers.

In digressing from the specific subject of HR 2486 and how it would remodel the VRA, it is hoped that the subcommittee will recognize that what it proposes for the VRA, whether intended as such or not, is precisely the right medicine for a national economy-stricken veterans employment policy patient. The same medicine should be prescribed for the full range of veterans employment programs. The proposed legislation can be expected to create opportunities for those in the best position to ameliorate shortages of qualified personnel. This is as true for the federal employers who need to fill vacant positions as it is for those veterans who may desire skilled positions in the federal sector. About all that is missing in this particular bill is a solid retraining provision to accommodate those possessing the cognitive abilities needed to acquire technical skills that are in short supply.

Mr Chairman, that concludes our statement.

STATEMENT OF
EMIL W. NASCHINSKI
ASSISTANT DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

JUNE 21, 1989

Mr. Chairman and distinguished members of this Subcommittee:

The American Legion is pleased to have the opportunity to comment on both the Veterans Readjustment Appointment (VRA) program and HR 2486, which would extend and otherwise modify it. We respectfully request that our written statement be made a part of the record of this hearing.

Mr. Chairman, America has always had an employment policy regarding her war veterans. Whether the citizen-soldier suffered the icy winds at Valley Forge or the sweltering heat of Vietnam, our veterans have always known that when they returned home they would receive some type of preference from their government regarding federal employment.

In February of 1919 a small group of World War I veterans met in Paris France for the purpose of finding solutions to the many problems that would be faced by their comrades when they returned home. Out of their discussions came the idea of a national veterans' organization which would provide continuing support and assistance to veterans and their families in dealing with these problems. Thus, The American Legion was born.

It occurred to the Legion's founding fathers that the one major problem that all returning World War I veterans shared would be to find suitable employment. The American Legion made a commitment then and there to assist veterans whenever and wherever possible with employment issues.

In 1933 The American Legion lobbied on behalf of the Wagner-Peyser Act, which established a nationwide employment service system. Eleven years later, we supported the passage of the Veterans Preference Act of 1944, which formalized and consolidated all federal laws and policies regarding veterans preference.

Something else that few people know is that The American Legion authored the Servicemen's Readjustment Act, which became better known as the GI Bill. Among other things, this monumental piece of legislation provided for educational opportunities, vocational and on-the-job training, and effective employment and placement services.

Over the years, our commitment regarding veterans employment has not

diminished. Since 1970 we have supported the VRA program and we continue to do so. Mr. Chairman, The American Legion salutes both you and Congressman Smith for the introduction of HR 2486.

When the VRA program was established by Executive Order in 1970, it was expected to provide two major benefits. Besides assisting compensably disabled and/or educationally disadvantaged Vietnam era veterans to assimilate themselves back into the mainstream of American society, it was also meant to provide the federal government with more flexibility in hiring. Without Congressional action the VRA will expire on December 31 of this year. If this were to occur, federal agencies would lose one of the most innovative and effective hiring tools that they have at their disposal.

As you know, the use of VRA authority by federal agencies is discretionary rather than mandatory. As a result, some agencies have all but ignored it. Despite this fact, officials at OPM have recently informed us that according to their data, over 300,000 VRA appointments have been made since the program's inception. They also informed us that 240,000 of these appointments, or 80 percent, have been converted to career or career conditional appointments.

One of the things that we find most appealing about the VRA program is that it not only has provided employment for Vietnam era veterans, but also, that it has provided those individuals with an opportunity to better themselves through education and training. We must point out that these benefits have cost the American taxpayer little if anything. Why? Because those veterans who completed the education and/or training portion of the program are no doubt making more than they would have if the VRA program had not been available to them. As a result these men and women are paying more in federal taxes, which has helped to defray the cost of the program.

Having said that, Mr. Chairman, we would now like to turn our attention to the amendments that HR 2486 would make to subsection 2014 of title 38, United States Code. As we understand it, this piece of legislation proposes four major changes for the VRA program, which include: Extending the VRA authority permanently; opening the program to recently discharged veterans; eliminating the current educational restrictions; and raising the maximum entry level from GS-9 to GS-11.

Mr. Chairman, The American Legion believes that the first three changes that we have just mentioned could be very helpful in combating two major veterans' employment and training problems that currently exist in this country. The first of these problems concerns the employment of severely disabled veterans. According to data that were supplied by the Department of Labor's (DoL's) Assistant Secretary for Veterans' Employment and Training, over two-thirds of all veterans who are 60 percent or more

compensably disabled have completely dropped out of the labor market. This has occurred because many employers in both the public and private sectors have refused to make the necessary accommodations for their employment.

To say that The American Legion was appalled by this information would be a gross understatement. Although OPM has done a good job in recent years of promoting the VRA program we believe that more can and should be done. We further believe that the federal government must lead the way in the employment of severely disabled veterans and that it must make every effort to assist these individuals to become productive members of society once again.

If the VRA program is extended, it could be used to put many of this country's severely disabled veterans back to work. However, the mere extension of this program is not enough. Based on the information contained in OPM's recent report to Congress regarding DVAAP, it is luminously clear that some federal agencies have made little or no effort to recruit disabled veterans. The American Legion believes strongly that it is time for the government to stop paying lip service to our disabled veterans and to make a real commitment regarding their employment.

Mr. Chairman, may we suggest that if Congress does extend this program, it also require OPM to work in concert with both the VA and DoL for the purpose of identifying all disabled veterans who are rated at 60 percent or more and that VRA appointments be offered to all of those individuals who are willing and able to work.

As we mentioned earlier, The American Legion is deeply concerned about another major problem regarding veterans' employment and training. That problem has to do with dislocated workers.

Today, there is an ever growing number of dislocated workers in this country. Many of these individuals are veterans who have lost their jobs through no fault of their own. Unfortunately, in most cases these veterans lack the financial resources necessary to obtain the training or retraining that they would need to be able to find new employment. This problem is further exacerbated by the fact that many of these men and women are considered by employers as being older workers.

Mr. Chairman, we believe that by extending the VRA authority and eliminating the restrictions on education, we could provide many of these veterans with the employment that they so desperately want and the education and training they need. Without the VRA program, the chances of many of these individuals to find suitable employment will be greatly diminished.

The last provision of HR 2486 that we would like to address has to do with raising the maximum entry level from GS-9 to GS-11. The American Legion feels that this

would be beneficial as it would make the program more attractive to veterans and would provide them with greater career opportunities. Furthermore, we believe that federal agencies would be more inclined to use the VRA hiring authority as they would have even greater flexibility in making employment decisions.

In reviewing the piece of legislation that you and Congressman Smith have drafted, we observe that there is very little that The American Legion can find fault with. There is, however, one item that we feel has been overlooked. That item is the name of the program.

Since the word "readjustment" has fallen into disfavor with budget cutters, may we suggest that the word "recruitment" be substituted for it, thus making the new name the Veterans Recruitment Appointment program. This we feel would also be more in keeping with the new direction that we feel the program should take.

Mr. Chairman, that concludes our statement. Once again, thank you for allowing us this opportunity to share our views on the VRA program and HR 2486.

STATEMENT OF

JAMES N. MAGILL, DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

H.R. 2486
(A BILL TO AMEND THE VETERANS' READJUSTMENT APPOINTMENT PROGRAM)

WASHINGTON, D. C. JUNE 21, 1989

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to appear before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars with respect to H.R. 2486. This bill, introduced by you and the Ranking Minority Member of this Subcommittee, amends the Veterans' Readjustment Appointment (VRA) program. The VFW is very appreciative of the Chairman for holding this hearing and demonstrating his and the Subcommittee's continuing concern for our nation's veterans.

Mr. Chairman, the VFW considers the VRA program an extremely successful program and should be made permanent. Approximately 280,000 Vietnam-era veterans have utilized the VRA program since its inception in 1970 benefiting not only themselves but the nation as well. During 1987, the VRA program accounted for three percent of all new federal hires. Of significant importance is the fact that the Office of Personnel Management reports 80 percent of those participants have converted to career or career-conditional status, attesting to the high caliber of veteran candidates entering the program.

Mr. Chairman, your bill, H.R. 2486, provides for several changes which we believe will enhance the program. Increasing the entry level from GS-9 to GS-11 would allow the government to attract those veterans clearly qualified for higher level positions. In conjunction with this grade level increase, we certainly applaud the provision which gives preference to service-connected disabled vetrans. We do question, though, the ability to enforce this "preference" provision in light of the fact that veterans preference in general has proven difficult to enforce. We would also recommend the elimination of the 14-year educational level restriction for non-disabled veterans.

The VFW supports the provision which defines a recently discharged veteran as one who was discharged or released from active duty within four (4) years from receiving an appointment. We do, however, have reservations with reducing from 180 to 90, the number of days for other than training, an individual must serve on active duty to be eligible for the VRA. This would, in our opinion, open the program to members of the National Guard and Reserves who already have various employement protections and guarantees. Retention of the 180-day requirement would also be consistent with the definition of eligible veterans in section 2011 of 38 USC.

Mr. Chairman, the VFW recommends to this Subcommittee that the VRA program be renamed the "Veterans' Recruitment Appointment" program. The term "readjustment" has acquired a negative connotation lately which does not do justice to this highly successful program. Our suggestion would lend a positive tone and be more fitting should the VRA progarm be made permanent.

Mr. Chairman, based upon discussions with members of a Federal Executive Board, consisting of representatives from 20 separate federal agencies, and another discussion with a group of Vietnam-theater veterans who were VRA employees, the VFW is convinced this program represents a vital mechanism for Vietnam veterans to enter into federal employment. In view of the findings of the National Vietnam Veterans' Readjustment Study and the result of these discussions, we suggest the VRA program contain a provision which requires a federal employer to establish a case manager for those Vietnam-era veterans who have been identified as having readjustment difficulties to assist them in their integration into the federal labor force. The program could be linked to the Federal Employee Assistance Program and require association with programs and services provided for in 38 USC, section 612A.

This concludes my statement. I will be happy to answer any questions you may have.

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

AUG 2 1989

United States
Office of
Personnel Management

Washington, D.C. 20415

In Reply Refer To

Your Reference

AUG - 1 1989

Honorable Timothy J. Penny
Chairman
Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Penny:

This letter transmits our answers to your follow-up questions from the hearing of June 21, 1989, on H.R. 2486, concerning the VRA authority.

Thank you for the opportunity to provide OPM's views. Please let us know if we can provide any additional information.

Sincerely,

Curtis J. Smith
Associate Director for
Career Entry and
Employee Development

Enclosure

FOLLOW-UP QUESTIONS FROM JUNE 21, 1989, HEARING ON H.R. 2486, A BILL CONCERNING VETERANS READJUSTMENT APPOINTMENTS

1. Q. It seems to me the 80 percent conversion rate to career or career-conditional status for VRA employees is a real testament to the competence of veteran employees. Do you have statistics regarding the conversion rates for other groups that are hired non-competitively?

A. Yes. During FY 1988, the conversion rate for the non-competitive appointments of 30% or more disabled veterans was approximately 74 percent. During FY 1987, the conversion rate for co-op students was 68 percent.

The high conversion rate under the VRA program is one of the marks of the overall success of the VRA program.

2. Q. I think it is fair to assume that the cost of a VRA appointment is considerably less than that for a competitive appointment. I would appreciate it if you would provide a cost comparison for the record.

A. We are unable to provide a cost comparison between the two types of appointments. We are in basic agreement with your assumption that the cost of an initial VRA appointment is less than the cost of an initial competitive appointment, due to the relatively simpler public notice, application, and selection procedures. However, after the VRA appointment, there is the cost to the agency of providing and monitoring the required training program, which may offset the savings at the time of original appointment. These costs for appointment and training cannot be isolated.

OPM collects spending data, not by types of appointments, but by activity, such as processing applications, answering inquiries, referring candidates, etc., for many types of appointments together. Because a competitive appointment may require as few as two and as many as all of these activities, it is not possible for us to provide a specific or average cost for competitive appointments that would be accurate and meaningful.

After everything is weighed, we do not believe that cost is an issue with the VRA appointments.

3. Q. In their testimony, the VFW suggests that a case management system, which can be integrated with the Employee Assistance Program, be established to assist those few veterans who might have work-related programs perhaps associated with PTSD.

First, would you describe the Employee Assistance Program for the Subcommittee? What is your response to the VFW's recommendation? Are employment Assistance Program personnel familiar with the DVA's Vet Center Program? Is there any kind of coordination between the two programs?

A. By law, Federal agencies are required to develop and maintain appropriate prevention, treatment, and rehabilitation programs and services for drug and alcohol related problems for Federal civilian employees. Most Federal agency Employee Assistance Programs (EAP's) also provide "broad brush" services

to employees with family and marital problems, emotional and mental illness, financial or legal difficulties, etc.--including PTSD.

Services which are provided include short-term therapy toward problem assessment and identification, referral to community treatment providers, follow-up, and education. Follow-up services may include case management or back-to-work conferences with managers, assistance in obtaining treatment, and follow-up assistance after treatment. Employees receive EAP services through self-initiated referrals or supervisory referrals. Occasionally, agency, union, or medical personnel recommend that employees seek assistance from their EAP's. However, it is important to note that EAP's do not provide treatment.

Vet Center Programs are rehabilitation and treatment programs which provide therapy, education, discharge upgrading, and crisis assistance to veterans and their families. There are 195 centers and their location is generally based on demographics--they are in areas which have large veteran populations.

EAP's and Vet Center Programs have different functions and are not organizationally connected within DVA. There is no formal coordination per se between the two programs. However, EAP practitioners, whether from DVA or other Federal agencies, use Vet Centers as a treatment resource for employees suffering from PTSD.

OPM held an Interagency Advisory Group meeting in 1986 regarding Vietnam veterans, PTSD, the links between PTSD and employment problems of veterans, including substance abuse, and counseling considerations and how to make suitable referrals to VA. The speaker was Dr. John Lipkin, who was the Associate Director for Psychiatry at VA. The meeting was for Federal officials from all agencies who are involved in providing EAP services to their employees. Subsequently, a list of the VA Vet Centers was distributed to all Federal agencies.

It does not seem necessary to establish a case management system to deal with this particular problem, since many resources and services are already available. Federal EAP's currently make appropriate referrals to Vet Centers and other community resources, where service providers will assist employees in effectively dealing with whatever problem may be affecting the job.

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

July 25, 1989

Honorable Timothy J. Penny
Committee On Veterans Affairs
U. S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Dear Congressman Penny:

Thank you very much for the opportunity to respond to a question related to H.R. 2486 with respect to the Veteran's Readjustment Appointment Authority (VRA).

The question you have posed to me is:

On page three of your testimony you point out the Peace Corps volunteers may be appointed noncompetitively to federal service within one year after completion of their Peace Corps commitment.

Can you give us any more details on how noncompetitive appointments for these volunteers are structured? Do you know if VISTA volunteers can also be appointed noncompetitively?

Mr. Chairman, the authority to make the appointments stems from Executive Order Number 11103, signed by President John F. Kennedy on April 10, 1963. This authority to appoint former volunteers to civilian career services identifies those who have served as a volunteer or a volunteer leader under the Peace Corps Act.

According to OPM regulation 315.605 states, in part, "...a VISTA volunteer under the economic opportunity act of 1964...or the domestic volunteer service act of 1973...or as a full-time community volunteer (including criminal justice volunteer, volunteer and justice, and VET REACH volunteer) under part C of Title I of PUB.L 93-113."

In order to be eligible, these individuals must have served as a volunteer for at least one year. Normally their noncompetitive appointment must be effective within a period of one year following completion of that service.

Executive Order 11103, however, allows extensions of not more than three years if such volunteer following that service enters military service, pursues studies at a recognized institution of higher learning "...or in other activities which in the view of the appointing authority, warrant an extension of such period."

Certainly, Mr. Chairman, a reading of this authority reveals a much more liberal policy toward former Peace Corps volunteers than it does toward those who served on active military service including existing VRA eligibles.

If you have any other questions or if I may offer any other assistance in this matter please do not hesitate to contact me.

Sincerely,

Ronald W. Drach

RONALD W. DRACH
National Employment Director

RWD:lms

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

July 12, 1989

The Honorable Timothy J. Penny
Chairman
Subcommittee in Education, Training
and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Please find enclosed the VFW's response to questions, that time did not permit being asked, at the June 21, 1989, hearing on the appointment authority. Again, the VFW is appreciative of the opportunity to testify at that hearing and we look forward to working with you in improving and maintaining the benefits and entitlements our nation's veterans have earned.

With best wishes and kind regards,

Sincerely,

Jim

JAMES N. MAGILL, Director
National Legislative Service

Enclosure

★ WASHINGTON OFFICE ★
VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N. E. ● WASHINGTON, D. C. 20002 ● AREA CODE 202-543-2239

Question #1 "How would you see this program (Employee Assistance Program) linking with your Case Management recommendation?"

Response #1 Public Laws (PL) 91-616 and 92-255 mandate that federal agencies develop programs and services for the prevention, treatment, and rehabilitation for employees with alcohol or drug problems. PL 79-658 authorizes agencies to establish health service programs to promote and maintain physical and mental health of federal employees. These voluntary counseling programs are designed to concentrate on problems related to the job and work site. They focus on unacceptable performance when there is a reason to suspect alcohol, drugs, or emotional problems are the cause of, or a contributing factor to the behavior.

The National Vietnam Veteran Readjustment Study (NVVRS) reported that Vietnam theater veterans, as a group, are much more "at risk" for having Post Traumatic Stress Disorder (PTSD) than their civilian counterparts. Alcohol abuse or dependence and generalized anxiety disorders are by far the most prevalent disorders, both currently and in the past, among men who served in the Vietnam theater. Overall 49 percent of Vietnam theater veterans met the criteria for at least one of these disorders at some point and overall one in six had at least one disorder currently. These overall rates were not substantially higher than those reported for Vietnam-Era veterans. Veterans with current PTSD are two to six times more likely to abuse alcohol or drugs than those without the disorder. NVVRS clearly found that the statistical incidence of current PTSD and substance abuse "corrobrate the clincial impression of high comorbidity of PTSD with alcohol and drug abuse and underscored the need for coordinated treatment programs."

Since the inception of the Veterans Readjustment Appointment (VRA) program over 279,000 Vietnam-Era veterans have been appointed to federal positions and the Office of Personnel Management (OPM) reports a retention rate of 80 percent. In fiscal year (FY) 1987, 11,441 VRA appointees were separated, of this number 6,343 were involuntarily separated for a variety of reasons. OPM representatives agree that mangers and supervisors should be aware of this disability (PTSD) and the effects it has on performance and conduct of employees.

The intent of providing a VRA appointee a Case Manager is to establish a support mechanism-familiar with PTSD symptoms, treatment resources, and skilled in counseling techniques to whom the veteran and supervisors may turn to in order to resolve unacceptable performance issues prior to separation. The Case Manager would maintain frequent contact with the veteran/supervisor for purposes of avoiding unnecessary termination, referring the veterans to appropriate counseling (if required), facilitate successful conversion to career status, and provide follow-up to determine the veteran's progress within the program. The Case Manager appointed by the Agency would also serve as a facilitator to assist reintegration of a VRA appointee who is returning from PTSD treatment (inpatient/outpatient) into the work environment. The Case Manager preferably would be a Vietnam veteran assigned to the Employee Assistance Program and would conduct indepth interviews with the veteran to establish a trust relationship. Assigned duties would also include a requirement to maintain liaison with the Department of Veterans Affairs (VA) PTSD/Vet Center facilities and to conduct familiarization training for supervisors/managers on veterans' readjustment issues.

Question #2 "Alternative ways to ensure that service-connected disabled veterans be given first consideration of VRA appointments."

Response #2 The VRA appointment program is a non-competitive system which leads to competitive status and career or career conditional tenure upon satisfactory completion of service and education or training. This program was designed specifically to provide a simple mechanism to allow managers and supervisors a means to rapidly hire qualified veterans or disabled veterans as defined in section 2108[1][2], title 5 United States Code (USC). Criteria to establish eligibility and the proof required is outlined in subchapter 7, Federal Personnel Manual supplement 296-33.

Establishment of a preference or priority of appointment within the VRA program implies that managers/hiring officials will maintain a list of VRA eligibles, which has not been the norm. This proposal also suggests that an individual would have an appeal right if he or she believed that their preference was not observed. The proposal further suggests an enforcement mechanism will be established by OPM to ensure maintenance of a preferential appointment process. The current non-competitive system may become incumbered with administrative requirements, thus, eroding its appeal to local hiring officials if "preferential hiring" is established.

The alternative to establishing "preference" is to establish a system of priority of referral similar to that which is currently exercised within the Employment Service (ES). Federal employers are required by law, when filling positions from outside the agency, to list those vacancies with the ES. The Employment Service is presently required to make referrals based on established prorities which gives preference to special disabled veterans and veterans of the Vietnam-Era.

The centeralized applicant referral system (CARS) is designed to facilitate recruitment and placement of eligible veterans into federal agencies. This program is designed to facilitate the employment process by making it as simple as possible for VRA eligible veterans and federal agencies to have access to a one-stop service for labor market information (LMI) and labor resource pools. As in the Employment Service, eligible veterans and special disabled veterans who are VRA eligible are referred ahead of other applicants. A similar program established by Richard A. Mock, Regional Administrator, Veterans' Employment and Training Service, Chicago, Illinois, Region V, consist of an automated job bank which agencies throughout the region may access to obtain resume information on qualified VRA eligibles.

If the intent is to maintain an efficient expeditious entry means into federal service for VRA eligible veterans, the hiring process should not be incumbered administratively. The alternative to preference is to establish a requirement that agencies, who elect to use the VRA, initial turn to the Employment Service or CARS programs to solicite qualified applicants who in turn must be mandated to provide priority of referral to the disabled veteran.

Vietnam Veterans of America, Inc
2001 S St., NW
Suite 700
Washington, DC 20009-1125

(202) 332-2700

July 7, 1989

Honorable Timothy J. Penny, Chairman
House Committee on Veterans Affairs
Subcommittee on Education, Training and
Employment
335 Cannon House Officer Building
Washington, D.C. 20515

Dear Chairman Penny:

This letter will respond to your July 5, 1989 follow-up question arising from the Subcommittee's June 21, 1989 hearing on the Veterans Readjustment Appointment (VRA) program.

> 1. How would you respond to OPM's assertion that the current comparatively low unemployment rate among Vietnam era veterans argues against continuation of the VRA program, except for disabled and Vietnam theater veterans.

As we stated in our prepared testimony for the hearing, the statistics on employment levels for Vietnam-era veterans are suspect. This is because veterans having dropped out of the job seeking labor force are no longer counted by the Department of Labor and because statistics on the earnings of veterans placed in jobs are no longer collected.

With regard to this latter point, we attempted to make it clear at the hearing that underemployment among Vietnam-era veterans is a problem deserving of considerable attention. Those veterans having been displaced from middle income, union wage jobs in heavy industry and manufacturing are having obvious difficulty replacing those jobs with others of comparable wage levels. Bearing this in mind, the VRA could have an important ongoing role to play, most especially if the 14 year education limitation in the program were removed.

Moreover, converting the VRA from a readjustment program to a recruitment program attractive to agencies not currently using the VRA, as was discussed by a variety of the witnesses at the hearing, could have a very positive influence on the employment prospects of underemployed veterans interested in careers with the federal government. Also, as discussed at the hearing, a redesign and refocus of the VRA could go some way toward convincing federal employers that veterans are a resource rather than a potential liability.

Mr Chairman, the OPM's argument hangs together superficially but on closer examination fails to convince. As always, your attention to the views of the VVA is appreciated.

Sincerely,

Paul S. Egan

Paul S. Egan
Legislative Director

PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

September 11, 1989

The Honorable Timothy J. Penny
Chairman
Subcommittee on Education, Training and Employment
House Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

With reference to the Subcommittee's legislative, June 21, 1989, hearing on H.R. 2486, the "Veterans' Readjustment Appointments," the following list of resources is for your information and further submitted for the Record.

* Bureau of Labor Statistics (BLS), study, dated September, 1988

* *Congressional Record*, Senate, dated January 25, 1989, Vol. 135, No. 6-Part II, (see introduction of S. 13) by Mr. Cranston (for himself, Mr. Matsunaga, Mr. DeConcini, and Mr. Rockefeller):...Extension of Veterans' Readjustment Appointment Authority.

* United States General Accounting Office (GAO), report B-223685, dated, February 28, 1989, *DISABLED VETERANS' EMPLOYMENT* (See pages 3, 4, 23, Appendix III Tables III.2: and Tables III.3:)

Thank you.

Sincerely yours,

Frank R. De George

Frank R. De George
Associate Legislative Director

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300 Fax: (202) 785-4452

The American Legion

For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

September 14, 1989

Hon. Tim Penny, Chairman
House Subcommittee on Education, Employment
and Training
Room 436, Cannon House Office Bldg.
Washington, DC 20515

Dear Congressman Penny:

At the VRA hearing that was held recently you asked several questions regarding our statement that two-thirds of all severely disabled veterans (those rated at 60 percent or more) had dropped out of the labor market. That figure came from a Bureau of Labor Statistics study.

Attached is a copy of the SCOVE report, Workforce 2000 and America's Veterans. I believe that you will find the answers to the questions that you raised on pages 5 and 6 of this report.

If we can be of further service, please feel free to call.

Sincerely,

Emil W. Naschinski, Assistant Director
National Economic Commission

EWN/dcj

Enclosure

WORKFORCE 2000
and
AMERICA'S VETERANS

REPORT OF THE
SECRETARY'S COMMITTEE
on
VETERANS' EMPLOYMENT

Following their service, native American veterans face problems that compound the normal problems of unemployment. Cultural differences, the geographical isolation of reservations, and the mistrust of dealing with the dominant society and its institutions mitigate against the job placement prospects of the unemployed native American veteran. Unemployment among native American veterans living on reservations averages 35 percent with highs of up to 80 percent on some reservations. Native American veterans living off-reservations are estimated to be unemployed in the 15 to 20 percent range.

Exhibit 4

MINORITY GROUPS HAVE THE LARGEST UNEMPLOYMENT RATES
(In thousands)

GROUP	IN THE LABOR FORCE	UNEMPLOYED NO.	%
All Veterans	18,074	787	4.2
White	16,303	634	3.9
Black	1,573	117	7.4
Hispanic	606	42	6.9
Native American (est)	127		17-35

Source: BLS

REGIONAL DISTRIBUTION

Nearly half of all living veterans are located in eight states:

	Total	1983 Median Age
• California	- 2,826,000	51.2
• New York	- 1,843,000	53.4
• Texas	- 1,787,000	50.0
• Pennsylvania	- 1,515,000	53.1
• Florida	- 1,484,000	54.8
• Ohio	- 1,293,000	51.4
• Illinois	- 1,242,000	51.8
• Michigan	- 1,014,000	50.6

Source: VA

Regionally, veterans disproportionately live in the southern most states. By region, the distribution of veterans is:

Exhibit 5

VETERAN POPULATION BY REGION
(in thousands of veterans)

Northeast	5,786
Midwest	6,831
South	9,132
West	5,486

Source: VA

DISABLED VETERANS

A total of 810,000 Vietnam-era veterans have service-connected disabilities. Of this number, close to two-thirds (530,000) served in Southeast Asia. These disabled veterans comprise 14 percent of all Vietnam-theater veterans (3.8 million). The extent of disability of both Vietnam-theater and non-theater veterans is very similar, about three-fifths of both groups have disability ratings of less than 30 percent.

Men with less than 30% disability levels are about as likely to participate in the labor force as those with no disability. In contrast, men with higher disability ratings (60% or higher) are less likely to be in the labor force. Among the male Vietnam-era veterans with disability ratings of 60 percent or higher, for example, only one-third are in the labor force. (Source: BLS)

In addition to the 810,000 disabled veterans of the Vietnam era, as of November 1987, there were 1.5 million veterans from other service periods with service-connected disabilities. Nearly all of these veterans – 1.3 million – served during World Wars I and II and Korea.

The low labor force participation rate of these wartime veterans – 33.5 percent – reflects not only the effects of their disability, but also the fact that many of them are of retirement age or beyond. Most of them are over 55 years of age, and more than 40 percent are at least 65 years old. As with Vietnam-era veterans, those disabled veterans from other wars that are still in the labor force experience higher joblessness than do the non-disabled – 5.3 percent, compared with 2.9 percent. Age may exacerbate the problems that the disabled veterans face in getting and holding jobs.

Exhibit 6

AMONG ALL VETERANS IN THE LABOR FORCE, THOSE WITH DISABILITIES HAVE HIGHER RATES OF UNEMPLOYMENT (1988)
(In thousands)

STATUS	IN THE LABOR FORCE	UNEMPLOYED NO.	%
All Veterans			
No Disability	16,183	678	4.2
With Disability	1,290	67	5.4
Vietnam-Era			
No Disability	6,409	302	4.7
With Disability	632	39	6.2

Source: BLS

Veterans with service-connected disabilities, especially those who actually served in Southeast Asia report experiencing greater problems in getting and holding jobs than other veterans.

Exhibit 7

DISABLED VETERANS REPORT THAT DISABILITIES PREVENT THEM FROM GETTING OR HOLDING A JOB (1988)

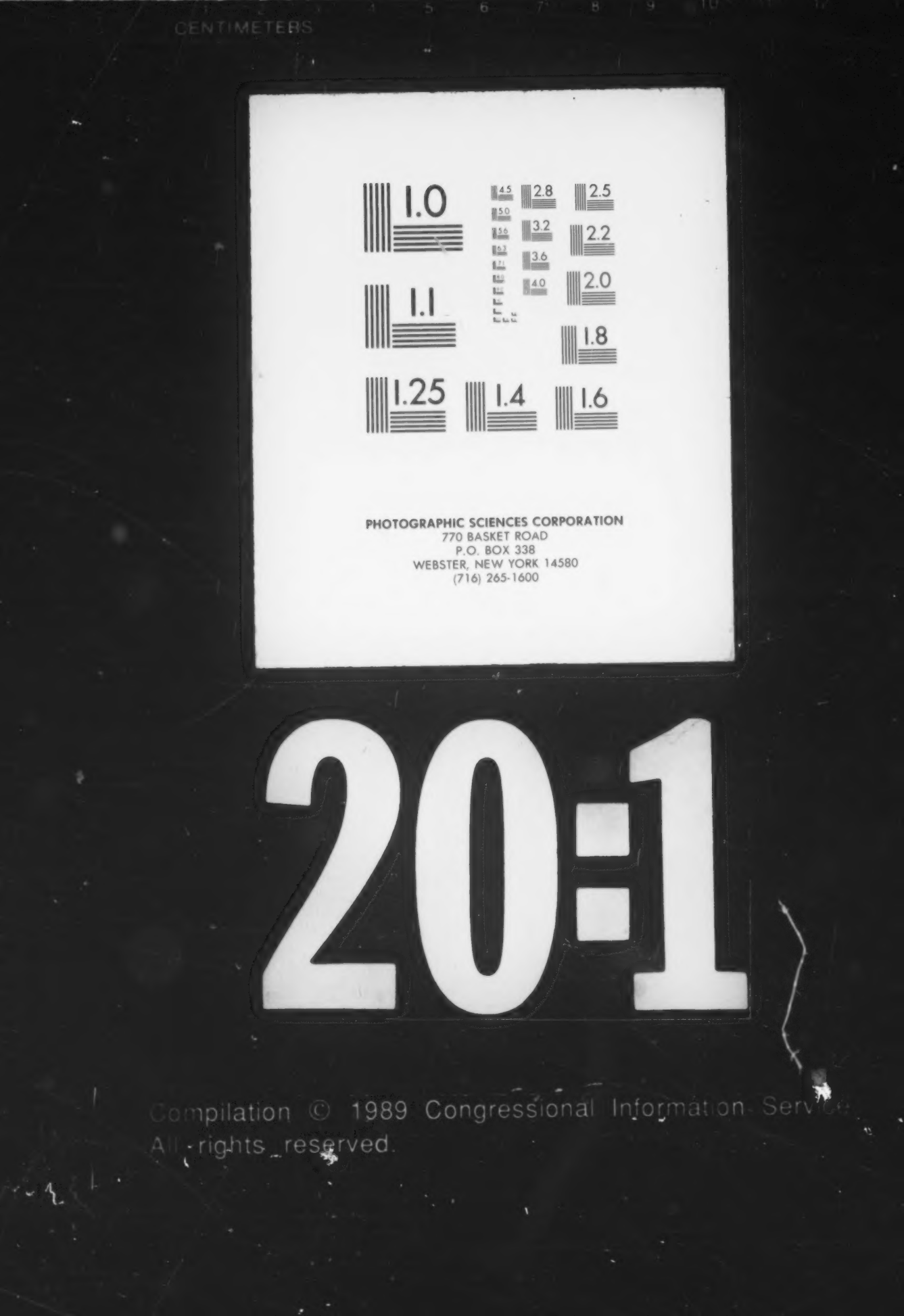
GROUP	REPORTING	PAST PROBLEM	CURRENT PROBLEM
All Veterans	1,177,000	33.6%	33.5%
Vietnam Era	217,000	54.4%	55.8%
Theater	134,000	56.7%	61.2%

Source: BLS

VIETNAM-ERA VETERANS

There are currently about 7 million Vietnam-era veterans. Two-thirds of these veterans are between 35-44 years of age. The unemployment rate for Vietnam-era veterans is slightly higher (4.8% versus 4.2%) than for all veterans, and veterans who served in the Vietnam theater have an even slightly higher unemployment rate of 5.2 percent. (BLS)

The prevalence of Post Traumatic Stress Disorder (PTSD) among Vietnam-era veterans, previously believed to be rather low based upon a study performed by the Center for Disease Control (CDC), is now being projected to be significantly higher (15 to 38 percent) based on a comprehensive study completed in 1988 by the Research Triangle Institute (Exhibit 8). PTSD can act as an impediment to veteran job retention.



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